

FINANCIAL TIMES

No.30,691

Friday November 11 1988

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BARRIER-FREE EC

Moscow gives its blessing to 1992

Page 2

Table with exchange rates for various countries including Australia, Canada, Denmark, etc.

World News

London tube chiefs resign as fire report is released

The chairman of London Regional Transport and divisional chief in charge of the capital's underground railway resigned shortly before publication of a highly critical official report on the King's Cross fire last November, in which 31 people died. Page 11

Sri Lanka shootings

At least 15 people were killed and about 25 injured when soldiers opened fire on Marxist anti-Government demonstrators in separate incidents in southern and eastern Sri Lanka. Protests bring economic standstill. Page 8

Yugoslav rally threat

Yugoslavia faced fresh political turmoil as Serbs and other ethnic groups announced plans for big protest rallies and workers demonstrated outside Parliament against soaring inflation and low pay. Reform plans unravelled. Page 2

Poll fraud alleged

Israeli election officials demurred an investigation into allegations of ballot-rigging by Jewish ultra-religious parties, which won an unexpected 18 seats in last Tuesday's general election. Page 25

UK, Iran accord

Britain and Iran are to resume full diplomatic relations after nearly nine years' interval. Officials in London said no deal had been made to release three British hostages held in Lebanon by pro-Iranian groups. Page 6

Tanker crew missing

All 27 crew members from the British-owned oil tanker Odyssey were missing after the ship broke in two and caught fire in a storm in mid-Atlantic. Page 22

Sino-Soviet thaw

China and the Soviet Union have moved towards a resolution of a border dispute and other obstacles to better relations, such as the conflict in Kampuchea. Booming border trade. Page 5

N-test atoll damaged

A team of scientists led by underwater explorer Jacques Cousteau said the island of Mururoa, France's underground nuclear test site, is deeply cracked but that they found no evidence of escaping radioactivity. Page 22

Brazil strike violence

At least five Brazilian strikers were killed and more than 40 injured in the worst industrial violence in living memory, as troops evicted workers from the state-owned Volta Redonda steel plant in Rio de Janeiro state. Page 22

UN payment arrears

Member states owed the United Nations more than \$600m in dues at the end of October. The US owed more than \$37m. Page 22

Taiwan aid for China

Taiwan's ruling Nationalist Party made an unprecedented call for its members to aid victims of Sunday's earthquake in China, marking 1,000 people are now feared to have died. Page 7

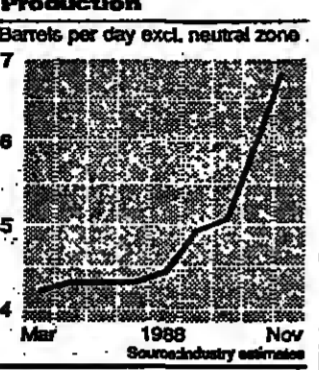
New crew for Mir

Soviet cosmonaut Vladimir Titov and Musa Manarov will be replaced on board the orbiting space station Mir next month at the end of a record year-long mission in space. Commercial space flight. Page 22

Business Summary

Saudi Arabia plans more downstream oil business

SAUDI ARABIA intends to integrate all its oil production with refining and marketing operations in consumer countries, according to Oil Minister Fahham Nazari. Mr Nazari, who was signing a \$1.5bn deal in London with Texaco for joint Saudi Arabian Oil Production. Barrels per day excl. neutral zone



ownership of three major US refineries and a chain of 1,400 service stations, said he hoped other similar deals would follow. Page 22

THOMSON-CSF, French state-owned defence and electronics group, was identified as mystery partner in Georges Rebureau's stock market raid on Société Générale, France's leading privatised commercial bank. Page 25

ROBERT Maxwell, publisher of Britain's Mirror Group Newspapers, is not after all going to sell all his printing interests to fund \$2.6bn acquisition of Macmillan, US publishing group. Page 30

COMMODITIES, financial futures and options markets in London and New York. British Corporate Affairs Minister Francis Maude said yesterday. Page 11

WELLCOME, UK pharmaceutical company, unveiled pre-tax profits of £221m (\$366m) for August 27, up 31 per cent on 1987, and it would welcome competitors to its 'wider' group's big-selling drug and licensed medication for treating AIDS. Page 23; Lex, Page 28

LLOYD'S Bank's plan to merge five of its UK financial services businesses with Abbey Life. British unit-linked life insurer, is in danger of defeat. Page 27

AL HAYAN, Egypt's largest investment house, had its assets put under government control and directors detained, amid official accusations of wrongdoing against its principals. Page 26

INDUSTRIAS Cardeon of Chile, chief supplier to the Iraqi air force during Gulf war, says it is now collaborating 'at all levels' in post-war reconstruction. Page 24

JAPAN'S trade surplus grew by seasonally adjusted \$1.1bn to \$7.2bn in October, increasing difficulties faced by leading industrial nations in reducing worldwide trade imbalances. Page 7

EC unemployment recorded its biggest year-on-year drop since 1983 in September, when the number of people registered for jobs fell to 15.9m, 1.3 per cent below September 1987 level. Page 3

CZECHOSLOVAKIA abolished its currency's traditional peg to the Russian rouble and gold. Analysts said it would take at least a decade for the crown to become fully convertible. Page 2

NORWAY said it planned to stop exports of heavy water, which can be used to make nuclear weapons, after series of embarrassing scandals over earlier shipments. Page 2

Elders' dawn raid on brewer angers UK Government

By Lisa Wood in London

A MAJOR row erupted between the British Government and leading financial institutions yesterday after Elders IXL, the Australian brewing group, increased its stake in Newcastle Breweries to 23.6 per cent just minutes after the Stock Exchange heard that its hostile £1.6bn (\$2.7bn) bid had been referred to the Monopolies and Mergers Commission. The share purchases by Elders allegedly broke the spirit of Government rules governing the purchase of shares after a Monopolies Commission referral has been made.

The Government's Department of Trade and Industry yesterday considered, but found it was beyond its powers, to unscramble the share purchases made by Elders yesterday morning in the dawn raid on Scottish and Newcastle. The DTI, which had referred the bid to the Monopolies Commission on questions of competition in the brewing industry, took the rare step of signing an order preventing Elders from increasing its stake and limiting its voting powers to 15 per cent. The action failed to satisfy Mr Alec Rankin, chairman of Scottish and Newcastle. He said: "I want to have these deals unscrambled, every one of them. The City will not go on working if all its systems are ridden over like this. Either the system does not work or a Government department is failing in its responsibilities."

Soviets optimistic on deal for Namibia independence

By Michael Holman in Geneva

AN AGREEMENT on a withdrawal of Cuban troops from Angola and independence for Namibia could be reached at the south-west Africa peace talks which open in Geneva today, Mr Anatoly Adamishin, the Soviet deputy Foreign Minister, said last night. Mr Adamishin spoke of his "cautious optimism" that the differences between the parties could be resolved over the next three days. He was speaking at a press conference in Geneva after a three hour meeting with Dr Chester Crocker, the US assistant Secretary of State for Africa who is chairing the talks between Angola, Cuba and South Africa.

Brussels launches inquiry into Carnaud takeover of Metalbox

By William Dawkins in Brussels and Maggie Urry in London

EUROPEAN Commission competition authorities are to investigate the £70m (\$1.3bn) takeover of Metalbox Packaging of the UK by Carnaud, a leading French metal packaging group, only a week before an EC ministerial debate on plans to extend Brussels' anti-trust powers. Officials said yesterday that it was a routine investigation aimed at establishing whether or not the deal would produce an illicit monopoly. But they added privately that the wider purpose of the move was to increase pressure on EC governments to accept Commission plans for an EC merger control policy. Officials emphasised that the outcome of the inquiry into the deal, which would create Europe's largest packaging group, to be called CMB Packaging, was entirely open. Mr Jean-Marie Descarpentries, head of Carnaud and chief executive-designate of CMB, said he did not think the merger would be blocked. Under current EC competition rules, Carnaud's demand changes or dismantle anti-competitive international takeovers but only - to the Commission's irritation - after they have taken place. The proposed regulation, which is being blocked by Britain and West Germany, would allow the Commission to vet mergers in advance. Normally Commission investigations of this type are conducted informally, without publicity. Officials said Brussels announced this merely to provoke a rapid response from competitors and customers in the packaging industry, enabling the Commission to produce a decision in time for the merger to become effective by the companies' target date of the end of March.

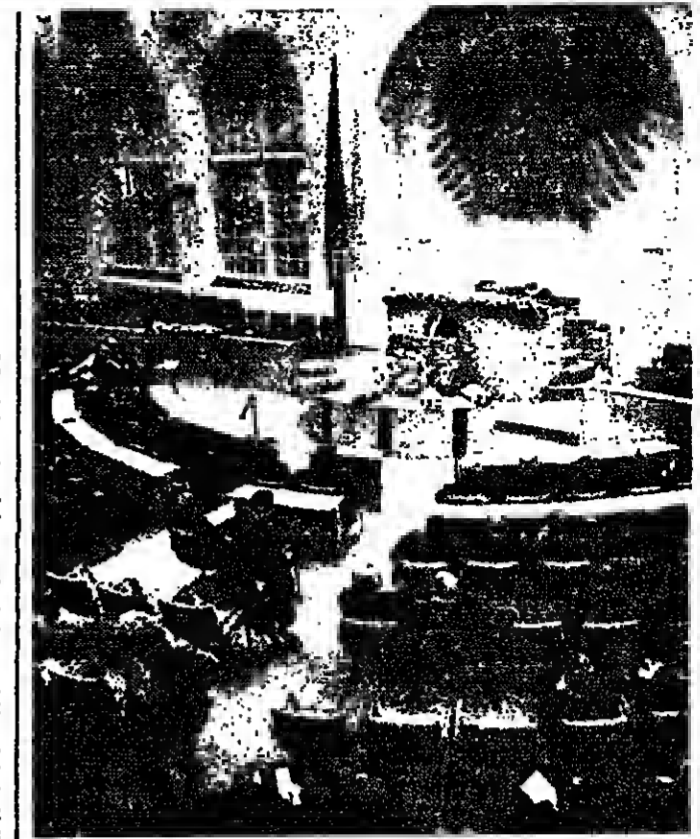
Democrats begin to plan post election strategy

By Lionel Barber in Washington

DEMOCRATIC Party leaders met in Washington yesterday to begin the post-mortem on their third successive presidential election defeat and to plot a strategy for dealing with President-elect George Bush. While several senior Democrats have questioned their party's appeal and some have most consoled themselves with a consolidated majority in the House of Representatives and Senate which gives them a strong base for dealing with the Republican Mr Bush.

Mr Bush's early post-election olive branch to his opponent Governor Michael Dukakis and his pledge to work with Congress met with a cautiously favourable reaction. Many Democrats also hailed his swift appointment of Mr James Baker to be the next Secretary of State as heralding a welcome change from the conservative ideology of the Reagan Administration. Mr Bush intends to announce several appointments in the next fortnight in an effort to get his new Administration off to a fast start. His close friend Mr Nicholas Brady, presently US Treasury Secretary, is likely to continue in the job. Former Senator John Tower of Texas is a front-runner for the post of Defence Secretary, and Mr Richard Darman, a former senior Baker aide, is tipped for the key post of Office of Management and Budget. Faced with this fast-moving transition, Congressional Democrats recognise they need to clarify tactics quickly for the opening session of Congress next January - one reason for yesterday's convening of the House Democratic leadership under the Speaker, Mr Jim Wright of Texas. Publicly, several Democrats voiced confidence that they could do business with a President Bush. Mr Tony Coelho, the House Democratic whip, said that Mr Bush, a former US Congressman from Texas, was "a guy who is the epitome of government," unlike President Reagan and former Democratic President Jimmy Carter. "It's going to be a different fight, a different approach."

However, Mr Dukakis's running-mate Senator Lloyd Bentsen of Texas, who came out of the campaign with his reputation enhanced, gave warning that he would pick at least one fight with Mr Bush. Asked to continue on Page 22 Election aftermath, Page 4; Bentsen walks tall, Page 22



Members of the Bundestag walk out in protest at parliamentary president Phillip Jenninger's Kristallnacht speech

Bonn Speaker may resign over Nazi quotes

By David Marsh in Bonn

THE PRESIDENT (Speaker) of the West German Bundestag, Mr Phillip Jenninger, yesterday unleashed a furious political storm by quoting in Parliament extensive excerpts of Nazi propaganda in a speech commemorating the pogrom against the Jews 50 years ago. As leaders of the main political parties last night consulted Chancellor Helmut Kohl over the sudden crisis, speculation mounted that Mr Jenninger, who constitutionally is deputy head of state after President Richard von Weizsacker, might be forced to resign. In his hour-long address, which brought a tide of protest from deputies of both opposition and government parties, Mr Jenninger clearly failed to find the right words, or the right context, for an occasion deemed as the solemn high point of the anniversary of Kristallnacht (Night of the Broken Glass) on November 1938. Mr Hans-Jochen Vogel, leader of the Social Democratic Party (SPD) opposition, said the remarks showed a "shocking lack of sensitivity". He called indirectly for Mr Jenninger to quit by saying he had not lived up to confidence placed in him by the Bundestag. This call was echoed last night by other Bundestag members including some from Mr Jenninger's own ruling Christian Democratic Union. Mr Jenninger has never been associated with extreme right-wing views. He is considered a quintessential political insider, quite close to Mr Kohl, and something of a defence expert. The speech, in the course of which several deputies walked out, underlined once again how the country's past still throws dark shadows over politics in West Germany. The Bundestag president set down baldly the Nazis' anti-Jewish tirades that the Jews represented "putrefaction" and "vermin" which had to be "exterminated", and pointed to the counter-claims that the Aryans represented the "healthy, strong and useful" humanity. He also read out long extracts of SS reports from 1942 and 1943 of massacres of thousands of Jews. Mr Vogel said his "shock" went well beyond the ranks of the SPD. Leading deputies from the Free Democratic Party (FDP), junior partner in

MARKETS table with columns for US 100, FTSE 100, Nikkei, etc.

STOCK INDICES table with columns for New York, London, Frankfurt, etc.

CONTENTS table listing various news items and their page numbers.

Table with various market data and indices.

ANZ Worldwide advertisement in multiple languages, including English, Hindi, and German.

EUROPEAN NEWS

Wider role for workers alarms EC employers

By William Dawkins in Brussels

AN IMPORTANT industrial lobbying group in the European Community has voiced serious concern about European Commission ideas for an EC company statute which would include improved worker participation.

The suggested EC company statute would be offered to companies staging cross-border mergers, as an alternative to having to choose between the company laws of either of the states where the partners are based.

Those companies which did choose the EC statute would then have to offer a minimum level of worker participation, drawn from three options in the Commission's outline plan.

Mr Delors has made it a personal priority to revive long-stalled attempts to increase workers' involvement in big company decision-making. He fears their interests could be elbowed aside in the rush to create a free single market by 1992, so risking a political backlash against the whole programme.

He has asked companies and governments to respond by the end of the year to his outline ideas, floated last summer, in order that the Commission can turn them into definite proposals for subsequent adoption by member-states.

Big fall in Community's unemployment rate

By David Buchan in Brussels

UNEMPLOYMENT IN the European Community has recorded its biggest year-on-year drop since 1982. The number of people registering as jobless in September was 15.5m, or 1.3 per cent below the September 1987 level.

According to Eurostat, the European Commission's statistical service, the seasonally adjusted jobless rate for the 12 member states fell from 10.4 per cent in August to 10.2 per cent in September. This was due to decreases in the national unemployment rates of 0.2-0.3 per cent in Belgium,

Irish delay on Brussels job

By Kieran Cooke in Dublin

THE CONTINUING convalescence of Mr Charles Haughey, the Irish Prime Minister, has again delayed the announcement of Ireland's new European Commissioner.

New East-West conventional arms talks edge nearer

Human rights are the remaining stumbling block to negotiations, reports Judy Dempsey in Vienna

EAST AND WEST, after months of informal negotiations, have virtually reached agreement in Vienna on a mandate for starting new conventional arms reduction talks.

But a formal start of the Conventional Stability Talks (CST) which involve the sixteen Nato and seven Warsaw Pact countries, depends on a successful conclusion to the long-drawn-out Vienna review meeting of the Conference on Security and Co-operation in Europe (CSCE) to which the CST is linked.

In contrast to steady progress at the CST, differences in the CSCE, particularly on human rights issues, and whether the West will agree to a human rights conference in Moscow, has prevented East and West from reaching a final agreement. As a result, the start of the conventional arms talks is being delayed.

The CSCE Vienna meeting, which opened in November 1988, is part of the Helsinki Final Act. The 35 signatories include all the countries of eastern and western Europe (except Albania), the United States, Canada and the Soviet Union. But despite the noticeable improvement in East-West relations, several major differences between both sides have hindered a final resolution.

Progress on the CST itself has been relatively smooth. Both sides agree in principle that dual-capable systems (weapons which have both conventional and nuclear capability) should not be included in the new talks.

They also agree that the long-drawn-out and deadlocked Mutual and Balanced Force Reduction talks (MBFR) which have been meeting in Vienna for the past 15 years, would be phased out as soon as the CST began.

But one issue still divides Nato and the Warsaw Pact. Because of its geo-strategic position, Turkey wants part of its territory bordering with Iraq, Syria and Iran excluded from any reductions. In return, the Warsaw Pact wants part of the Soviet Caucasus excluded.

Western diplomats, however, are confident that the Soviet Union will drop this pre-condition. As a consequence, they believe the mandate could be ready in a matter of weeks.

What then is the delay in wrapping up the Vienna meeting? One of the problems is "basket three". The CSCE is divided into three "baskets" - confidence-building measures and human rights, economic co-operation, and specific humanitarian issues, such as the right to travel and minority rights.

Basket three has not only proved the most difficult for East and West to reach agreement on: it has also highlighted differences within the Warsaw Pact on how far each of those coun-

tries are prepared to make commitments on human rights. Hungary and Poland, for instance, are prepared to accept the draft document as it exists. This document was drawn up last month by the co-ordinators of the three baskets in an effort to reach consensus. But ironically, it has revealed further cracks in the Warsaw Pact.

The East German authorities, for example, refuse to drop the compulsory hard currency requirements for anyone visiting the country. Western delegations believe this puts a brake on improving human contacts and discourages travel.

Czechoslovakia, despite the winds of "glasnost" sweeping across the Soviet Union, is reluctant to allow greater religious freedom and freer flow of information. "We can only judge Czechoslovakia's commitment to human rights by its practice," one Western diplomat said, adding that Czechoslovakia remains unprepared to endorse the spirit of the CSCE.

Bulgaria, which recently deported a leading human rights activist, remains inflexible about allowing more people to travel, and ambivalent about granting rights to the ethnic minorities.

This breakdown in unity is partly due to different responses by the East European countries to the reforms taking place in the Soviet Union and

to different expectations of how far Mr Mikhail Gorbachev, the Soviet leader, is willing to make human rights a real issue.

It is also explained by statements made by Mr Gorbachev that national cultures and traditions of the individual socialist countries should be respected.

But if the Soviet Union has problems with its allies, Western unity is also beginning to fray at the edges.

Consensus exists among the West, just as much as among the East, about wanting to start the CST in the near future. But several Western delegations, most notably Great Britain, Canada, the United States and the Netherlands, are not prepared to compromise on human rights and humanitarian issues just so that the CST can begin.

"Why should we? We all want the CST. But we should not lower our expectations on human rights. We have to keep building on the Helsinki Final Act. That means institutional changes getting the laws in both the Soviet Union and Eastern Europe changed or amended," a senior Nato diplomat argued.

The response from the West has been mixed. The French, who until recently remained cool towards the idea, have agreed to go, as have some other Western countries. The United States says it would think about agreeing to such a Moscow conference if all political prisoners were released, a view shared by the West Germans.

Other delegations, including the British and the Canadians, refuse to be drawn into the "numbers game" concerning how many political prisoners must be released before they agree to go to Moscow.

The next few weeks will indicate the extent to which both the Soviet Union and its East European allies are prepared to meet Western demands. Without this commitment, some of the Western delegations are prepared to sit in Vienna until, as several diplomats put it, "we have a balanced and substantive CSCE document. We know we are under pressure to start the CST, but frankly, after this length of time in Vienna, we cannot compromise on human rights."

Greek trade deficit widens by almost 10%

By Andriana Ierodiakonou in Athens

GREECE'S TRADE deficit in the first nine months of this year increased by 9.6 per cent compared to the same period in 1987, as export earnings failed to offset a continued rise in import costs.

According to the latest Bank of Greece figures, import costs in the January to September period went up by 10.7 per cent, despite an 11.5 per cent reduction in Greece's oil bill.

Export earnings rose by 12.3 per cent, leading to an overall trade deficit of \$6.7bn, compared to \$6.5bn in the first nine months of 1987.

The competitiveness of Greek products is adversely affected by the high domestic inflation rate. The Government's inflation target of 12 per cent for 1988 is expected to be overachieved significantly.

There are also problems of quality control and marketing. Besides hindering exports, these deficiencies preserve high levels of import substitution.

Despite the worsening of the trade deficit, Greece's current account deficit in the first nine months of this year registered an 18.3 per cent reduction relative to the deficit in the same period last year, reaching \$322m.

The latest results have reinforced the authorities' hopes of keeping the overall deficit for the year below \$1.5bn. The poor trade performance was counterbalanced by a 16.2 per cent overall increase in invisible earnings, mainly from shipping and tourism.

Dubcek allowed to visit Italy for university honour

By Leslie Collett in Berlin

MR ALEXANDER DUBCEK, the reformist Czechoslovak leader in the Prague Spring of 1968, is expected to leave his home in Bratislava today for his first trip abroad in nearly 20 years.

He was given permission by the Government to visit Italy where he will receive an honorary doctorate in political science later this week from Bologna University.

The degree is being conferred on Mr Dubcek for his role in launching the political and economic changes which are widely regarded as being the forerunner of Mr Mikhail Gorbachev's reforms in the Soviet Union.

Paradoxically, there is widespread criticism of Mr Dubcek by Czechoslovaks who otherwise oppose their orthodox party leadership and would like nothing better than to see glasnost introduced to Czechoslovakia.

Mr Jan Urban, a signatory to

the Charter 77 human rights movement, said last week in Prague that while thousands of young demonstrators chanted Mr Dubcek's name last August 21, the anniversary of the Soviet invasion, "he did nothing to deserve it".

He had failed to speak out for the young people arrested at the demonstration. Mr Urban believed this was because Mr Dubcek was "awaiting a call" from Mr Gorbachev to resume the leader-

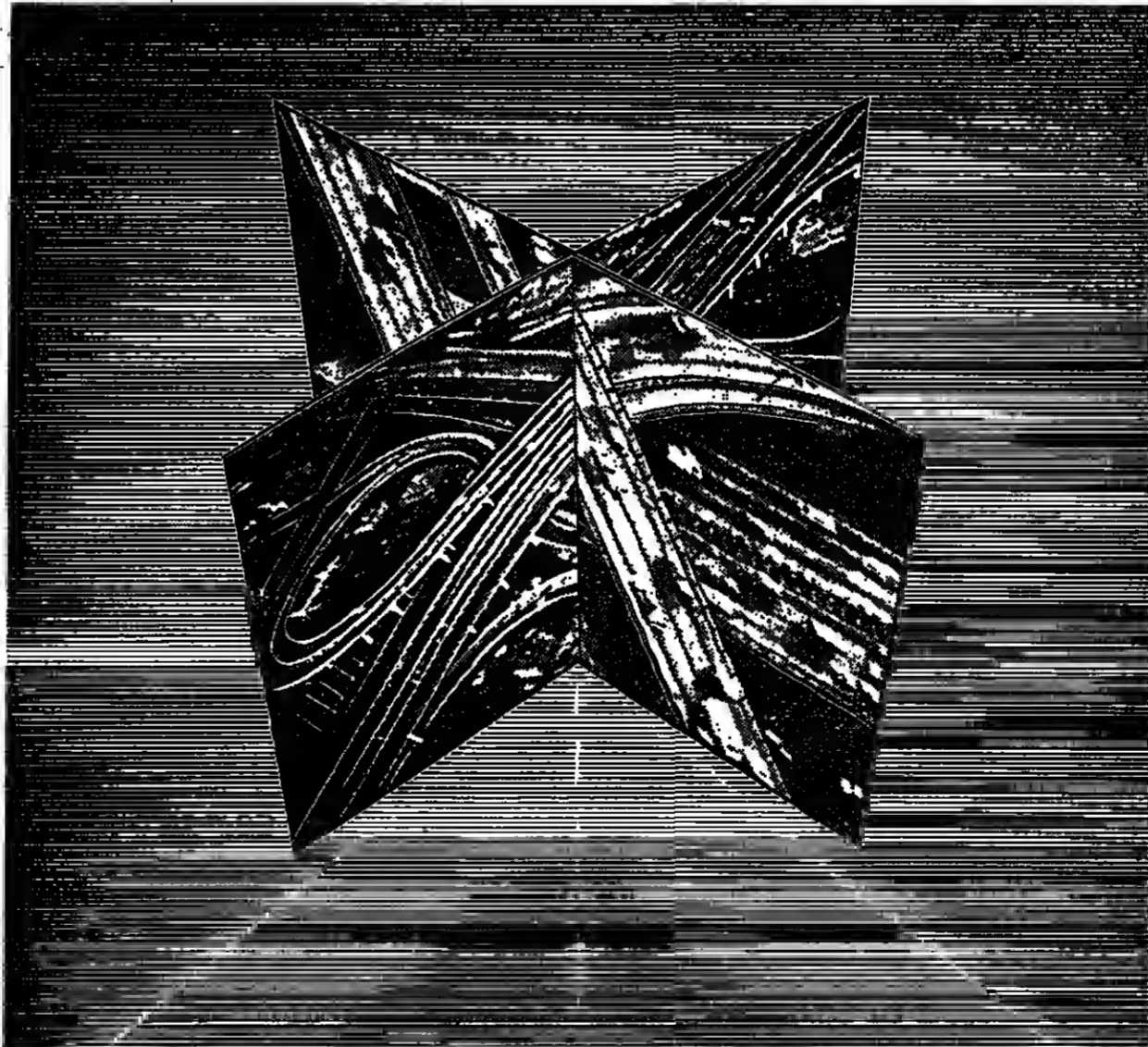
ship of the party in Prague. A prominent Charter 77 activist, Mrs Anna Sabatova, agreed that Mr Dubcek, at 67 years of age, still had "political ambitions". She suggested that he behaved "badly" in the period after the Soviet occupation until he was relieved of his post in April 1970. He never told Czechoslovaks what the "real situation" was, she claimed.

Another Czechoslovak - not a member of the opposition but

who sympathised with Mr Dubcek in 1968, said Mr Jiri Hajek, who served as Foreign Minister under Mr Dubcek and who was a founder of Charter 77, would have been a "better candidate" to be honoured by the West in the cause of human rights.

At least 11 members of the Czechoslovak opposition were taken into custody yesterday for planning an unofficial symposium today on the history of modern Czechoslovakia.

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AMERICAN NEWS

US admits stealth fighter exists

By David White, Defence Correspondent

THE US yesterday announced what has been an open secret for years - the existence of a "stealth" fighter designed to avoid detection by radar.

The US Air Force also acknowledged that three of the secret jets had crashed, killing two pilots, since the programme started.

The Lockheed fighter, officially designated the F-117A although the project has always been referred to unofficially as the F-19, is a single-seat, two-engine aircraft. The Pentagon said it first flew in June 1981 and had been operational for the past five years.

Fifty-two of the fighters, made of composite materials that absorb radar signals, were in operation.

The Pentagon described the aircraft as a "mature system" that had enjoyed support from both sides of Congress and could now be fully integrated into operational plans, adding to the country's "deterrent strength." The Soviet Union is not believed to have an equivalent aircraft.

A more recent development, the B-2 stealth bomber, is due to be rolled out for public view on November 22. It is not expected to become operational until the mid-1990s.

Democrats count the cost of defeat

Stewart Fleming examines the emerging arguments over the party's future direction

DEMOCRATIC Party strategists have begun to sift through the wreckage of their fifth defeat in the last six presidential elections and to debate the lessons which the party should draw from this disastrous record.

A sense of urgency is already infusing the debate at both the Congressional level and around the country even though the interests and priorities of the party at these levels are not identical.

On Capitol Hill, where the Democratic leadership of the House was meeting yesterday, the party sees Vice President Bush moving swiftly to distance himself from the negative and backward looking campaign he ran and to present himself to the voters as a presidential figure.

Dukakis's campaign chickens come home to roost

GOVERNOR Michael Dukakis does not waste time. Just nine hours after conceding the presidential race to Mr George Bush, he was back in his office in the Massachusetts State House shuffling papers and, as he says, "getting acclimated", writes James Buchanan.

This is not just because Mr Dukakis loves work. While he has campaigned up and down the US, the local economy and public finances have developed serious problems. With the election over, an armistice with independent-minded Democrats in the Massachusetts Legislature has been lifted.

manager who mastered serious structural and fiscal problems in his first term as governor from 1974-1978, Mr Michael Goldman, a leading political consultant, argues that his eight-point edge over Mr Bush in Massachusetts on Tuesday bolsters his chances for a third term as governor in 1990.

But the prospect of painful spending cuts and tax increases to balance the 1989 budget could change that.

"Right now, the government of Massachusetts is in chaos," said Mr Kevin Poirier, Republican deputy leader in the state House of Representatives. Mr James Howell, Bank of Boston chief

economist, said: "We don't know yet the exact magnitude of the deficit for this year. We do know it's severe."

At the heart of the problem is the upheaval in the micro-electronics industry in Boston. This has meant a big drop in manufacturing jobs, cutting the prospects for growth and tax revenues, and raising unemployment costs.

In the spring and summer, Mr Dukakis wooed and lulled the Democrat majority in both Massachusetts houses to accept a budget for fiscal 1989, which runs to next June. "The Democrats had to put up with a lot of wall-papering so Dukakis could get to the

Atlanta convention saying he's balanced 10 budgets," Mr Howell said.

Critics now say that the fiscal 1989 budget is unworkable. They say that the forecast increase in revenue of 8.3 per cent is looking wildly optimistic, with a likely outcome nearer 2-4 per cent. The state revealed yesterday it was borrowing \$450m short term, after taking out \$1.225bn in loans to help pay the bills in the summer.

Mr Dukakis will be looking for generosity, just as Democrats in both houses are trying to make good on their summer promises. "It's going to be a stormy session," says Mr Poirier.

Texas chosen as site for particle accelerator

By Roderick Oram in New York

TEXAS was chosen yesterday as the site for a \$4.4bn particle accelerator, 20 times more powerful than any other in the world, which the US Department of Energy will build if it can get congressional funding.

Seven states, chosen as finalists from 36 original competitors, had lobbied intensely for the "Superconducting Super Collider" because of its substantial economic and scientific benefits. Texas's case was pushed by its powerful congressman, including Mr Jim Wright, the House Speaker, and Mr Lloyd Bentsen, chairman of the Senate Finance Committee.

Mr John Herrington, Energy Secretary, said the site near Waco, 25 miles south of Dallas, was chosen as the best location for reasons including geology and infrastructure. It will cover 16,000 acres, including a central campus and a thin surrounding oval housing the underground collider.

Local contractors, scrambling for work in the depressed Dallas market, have called the project "The Big Bear." Beneficiaries could include Gifford Hill, a Dallas construction materials company owned by Bessie of the UK.

Once completed, the facility will provide as many as 2,600 jobs on an annual budget of \$700m. Dallas, deeply conscious of being a world-class scientific establishment, worked hard to win the project for the area. It hopes other scientific enterprises will grow up around the facility, which will accommodate some 100 visiting scientists at a time from around the world.

If Congress finds the money, the Department will build a 54-mile long concrete oval tunnel lined with 10,000 magnets to accelerate proton beams. Scientists hope studies of the subatomic particles thrown off when the beams collide will further their understanding of high-energy physics.

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Mexican ruling party claims state poll victory

By Richard Johns in Villa Hermosa

MEXICO'S ruling Institutional Revolutionary Party (PRI) has claimed victory for its candidate, Mr Salvador Neme Castillo, in the election for governor of Tabasco state, its first major political test since July's controversial general election.

With about 20 per cent of the vote counted, the PRI said it had 81 per cent majority.

The broad left National Democratic Front (FDN) opposition reserved judgment. Mr Andres Lopez Obrador, its candidate, said that it was not possible "to declare a triumph or accept a defeat" on this basis but pointed to major electoral irregularities in the town and district of Huamantla, one of the state's 17 municipalities.

There the FDN alleged 30 per cent of the poll watchers registered by the opposition had been disqualified at the eleventh hour on the grounds that their credentials had been processed incorrectly by the Federal-controlled State Electoral Commission.

The FDN, led by Mr Cuauhtemoc Cardenas, claimed that after the polls closed 80 ballot boxes had been spirited away to the commission's headquarters in Villa Hermosa, the state capital.

All over the state the FDN had not received, as they were entitled to, copies of the results. Mr Lopez Obrador said in Huamantla, Pto. his brother, said the registered poll watchers had been disqualified because the deputy mayor, rather than the mayor, had signed their certificates.

Throughout the campaign the Front has been beleaguered by what has seemed a pervasive and arbitrary system of regulations by the PRI, which controls the electoral system.

Elsewhere there was confusion caused by the commission's refusal to allow the four opposition parties to nominate common candidates.

In rural districts the opposition complained that the PRI had conspired to allow the public buses to carry their supporters to the polls. Voting took place amid heavy presence of troops and paramilitary police.

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Elsewhere there was confusion caused by the commission's refusal to allow the four opposition parties to nominate common candidates.

In rural districts the opposition complained that the PRI had conspired to allow the public buses to carry their supporters to the polls. Voting took place amid heavy presence of troops and paramilitary police.

Buenos Aires postmen defy peace accord

By Gary Mead in Buenos Aires

MILLIONS of items of mail are stuck in Argentina's post offices as postal workers in Buenos Aires defy a union agreement with the government to end industrial action in return for wage increases.

The peace deal - involving a 15 per cent increase for the final three months of 1988, plus average back pay of an index-linked 20,500 australs (\$1,366) - has been rejected by union delegates in Buenos Aires despite agreement between Government and union leaders.

The delegates complain they are being offered 5 per cent less than railway workers (who also won pay rises this week), that the back pay is not extended to retired union members; and they object to arrangements to pay the back payments over 18 months.

The industrial action in the Buenos Aires' post offices effectively paralyses mail and telegraphic communications.

The deal struck between postal unions and the Government breached wage limit guidelines set by the Government in August, which laid down increases of 4 per cent per month for the rest of the year. Other state workers are continuing industrial action.

Alfonso in plea to Congress on airline sale

By Gary Mead

ARGENTINA'S President Raul Alfonsin has asked Congress to approve plans to sell 40 per cent of the state-owned airline, Aerolineas Argentinas, to Scandinavian Airline Systems (SAS). The deal is regarded as a test case for the plans of Mr Rodolfo Terragno, Minister of Public Works, to privatise parts of Argentina's loss-making state-run industries. He has also agreed to sell 40 per cent of Argentina's telephone network, ENTEL, to the Spanish telephone company Telefonos.

The SAS deal has been criticised by opposition Peronists who say the \$210m SAS is offering for its 40 per cent stake is too little, implying a total valuation of \$525m. They also suggest that the deal has been incompetently handled and contravenes laws forbidding private capital entering nationalised enterprises.

The Inter-American Development Bank has approved a \$450m loan for Argentina, to be disbursed in four tranches. More than half goes to the Yacretta hydro-electricity project.

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Pro-Democrat party wins Puerto Rico poll

By Larry Linnner

RAFAEL Hernandez Colon narrowly won re-election on Tuesday to another four-year term as Governor of Puerto Rico despite an endorsement of his opponent by Vice President George Bush.

Mr Hernandez Colon, whose Popular Democratic Party (PDP) favours continued Commonwealth status for Puerto Rico, won 49.7 per cent of the vote. Balasar Corrada del Rio, leader of the pro-statehood New Progressive Party (NPP), ran a surprisingly strong second, with 45.8 per cent. A third candidate, Ruben Berrios Martinez, head of the Puerto Rican Independence Party, garnered 5.3 per cent.

The Puerto Rico gubernatorial race, always held on the same day as the US elections, takes on the importance of national elections because residents of Puerto Rico - though US citizens - cannot vote for President.

Mr Hernandez Colon's party is aligned the mainland Democratic Party, while Mr Corrada's PNP shares sympathies with mainland Republicans.

In fact, a week before the elections Mr Corrada received a letter of endorsement from Vice President George Bush, who wants Puerto Rico to become the 51st state of the union, and who had visited the island during the Republican primaries. Mr Hernandez Colon was helped by a booming manufacturing sector, the relative stability of Puerto Rico's tax-incentive programme and a dramatic drop in unemployment from 23 to 14 per cent since he took office.

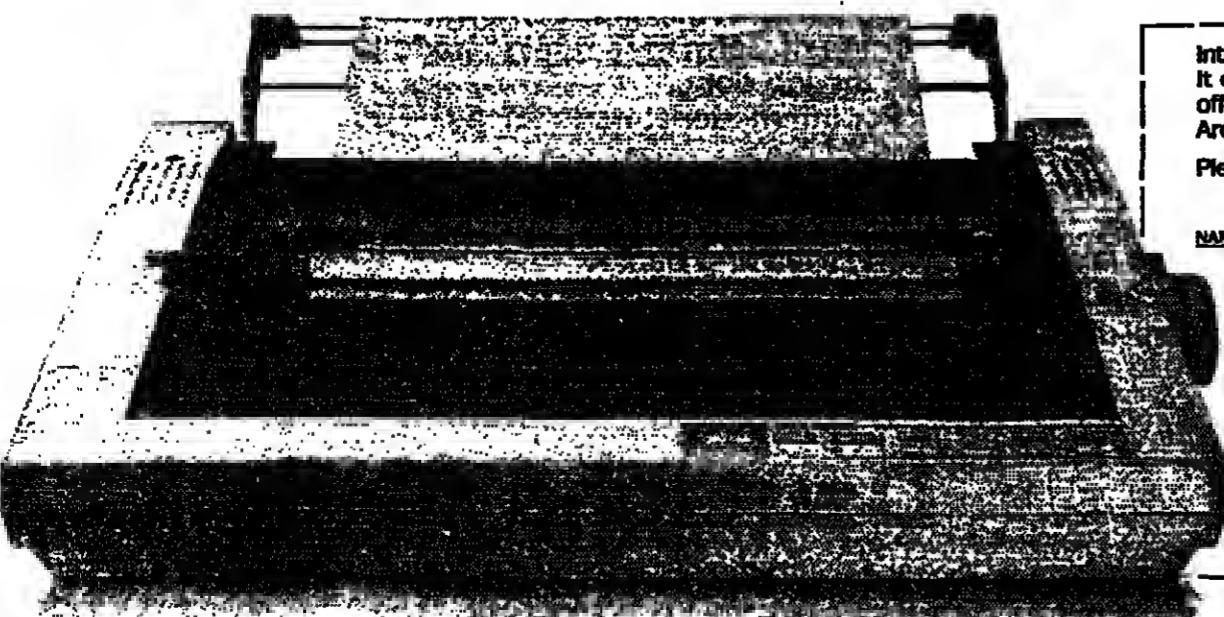
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WORLD TRADE NEWS

US farmers worried over Montreal trade talks

By Nancy Dunne in Washington

US NEGOTIATORS, heading into the Montreal mid-term review of international trade talks next month, are under pressure from the US agricultural lobby not to settle for short-term concessions.

In addition, rejection of the US-Canada Free Trade Agreement (FTA) by Canadian voters in the November 21 general elections would affect US influence in these talks.

Canada is the US's biggest trading partner, and rejection of the FTA would reduce the effectiveness of the off-stated threat that, if multilateral approaches fail, the US might strike bilateral liberalisation deals with individual trading partners.

The election of Mr George Bush to the presidency strengthens the US hand, since he has promised a continuation of the Reagan commitment to more open markets. However, the more protection-

ist-minded Democrats made significant gains in Congress, and it is by no means certain that they will be willing to follow the lead of the new President.

US farm commodity groups are seriously divided in their support for the talks. Ten groups have signed a resolution opposing any "hasty agreements" in Montreal until a full assessment of last summer's drought is complete.

The resolution, signed by wheat, barley, sugar and potato organisations in the Northwestern states, cites the Canadian agreement as an example of hasty agreement "reached with little time to assess the impact on the economies of US agriculture".

It warns negotiators that Congress "should not be hindered by agreements which could run the risk of being inappropriate or no longer germane" when it writes the 1990

Farm Bill. Congress, meanwhile, will be keeping an close eye on the talks. The two chairmen of the agriculture committee, Senator Patrick Leahy and Congressman E "Kika" de la Garza, will lead a team of congressional advisers to the talks. No deals made by US negotiators can become law until they are passed by Congress.

According to the US Feed Grains Council, dairy and sugar producers are "particularly nervous about the prospect of concessions at the mid-term review". The fear has been growing that the US will trade liberalisation of their markets in exchange for access to EC markets.

US cotton growers are also worried. The world's two largest producers - China and the Soviet Union - are not members of Gatt and would not be bound by reforms.

Aerospatiale in \$350m commuter aircraft deal

By Paul Betts in Paris

AEROSPATIALE, the French state-owned aerospace group, announced yesterday a \$350m (£196m) order from the French TAT regional airline for 30 new ATR 72 turboprop commuter aircraft jointly developed by the French state group and Aeritalia, the Italian state aerospace manufacturer.

The contract signed in Paris includes 20 firm orders and 10 options for the new 74-seat aircraft. Aerospatiale said TAT was also considering taking eight options for the smaller ATR 42 version of the aircraft.

Mr Henri Marre, Aerospatiale's chairman, said the TAT order was the biggest European order so far for the new aircraft, bringing total orders and options for the ATR programme to more than 300.

Aerospatiale and TAT also announced yesterday plans to form a joint aircraft leasing company with a French banking partner to lease and operate commuter aircraft throughout the world. TAT said it also wanted to develop its European regional airline network over the next few years.

Aerospatiale said its longer-term target was to secure a 30 per cent share of the world commuter aircraft market by the year 2005. This market was expected to involve about 3,000 new aircraft by 2005.

Record Chinese joint ventures approved

By John Elliott in Peking

A RECORD number of over 3,100 foreign industrial collaborations were approved in the first nine months of this year by the Chinese Government. More than half involved joint ventures with foreign equity stakes, usually of 50 per cent or more.

This demonstration of interest by foreign companies is a big achievement by China, which has introduced measures during the past two years to try to overcome widespread international disillusionment about the country's investment potential.

Foreign companies operating joint ventures are still experiencing hold-ups in the supply of raw materials and frustration with the country's bureaucracy. But there is general agreement that conditions have improved significantly, especially on arrangements for them to have access to foreign exchange to fund their capital and expenditure and cost of specialist components and other supplies.

The 3,100 figure, which covers the January-September period this year, exceeds the 3,069 approvals for the whole of 1985, which was the highest since the country started opening up its economy in 1978-79. The total dropped to 1,492 in 1986 and 2,233 last year, according to figures from the Ministry of Foreign Economic Relations and Trade.

Most of the projects have overseas Chinese living in Hong Kong and Macao as partners. US and Japanese companies lead the list of fully foreign investments with about 85 project approvals each in the

January-June period, the latest for which a detailed breakdown is available. This compares with a much higher total of 1,690 for overseas Chinese from Hong Kong and Macao.

Of the figure of 2,109 for January-June, there were 1,373 joint ventures with foreign equity stakes, and 46 with foreign companies taking a full 100 per cent interest. This is a marked increase over the total for all 1987 of 1,395 partial equity stakes and 46 fully-owned ventures.

for the expansion of a woolen goods plant and receive repayment in products from the factory. Another involves renovation of a cotton textile factory.

The two sides are also discussing alternate plans to relieve Xinjiang's shortage of electricity. One scheme would involve Chinese purchases of electricity direct from the Soviets, with 500 megawatts mentioned as a tentative figure. Another would involve Soviet investment in a coal-fired generating plant in Xinjiang, which would be able to utilise the rich coal resources of the province.

Despite local interest in the direct purchase of Soviet electricity, however, officials of China's Energy Ministry in Peking frown on the idea, although they would not object to direct import of Soviet generating equipment.

Despite the boom in bilateral trade, there are limits to its growth. In particular, trade is constrained by transportation bottlenecks, with goods now taken across the border by truck.

In an attempt to alleviate this constraint, a railroad line from Urumqi to the north-west, crossing the Soviet border at the Ala mountain pass, is scheduled for completion in 1990.

In August, both governments approved in principle a Soviet loan to finance the construction, although details have yet to be finalised. The Chinese also hope the rail link will provide a more economic route to transport goods to European markets.

Countries 'hardening positions' ahead of ministers' meeting

By William Dufforce in Geneva

GOVERNMENTS HAVE hardened their positions in the Uruguay Round trade talks in the run-up to the meeting of trade ministers in Montreal next month. Mr Arthur Dunkel, Director-General of the General Agreement on Tariffs and Trade (Gatt), said yesterday.

At their mid-term review of the round, ministers would have to work out a "global" package of answers, in which each country could find elements that met its particular interests, Mr Dunkel warned.

They had to ensure the trade-liberalising exercise was irreversible and to give the necessary political impetus to its second phase.

Mr Dunkel was referring to the difficulties into which several of the 15 negotiating groups have run, in agreeing on reports for the ministers and to statements made this week at Gatt's annual meeting.

Developing countries complained that the US, the European Community and other big

trading nations were trying to use their muscle to obtain results in such areas as services and intellectual property rights while ignoring Third World interests and pleas for special treatment.

Mr Dunkel was not entirely pessimistic. He noted that a hardening of positions was normal at this stage. The Montreal meeting would take place under favourable economic conditions, with Gatt's economists now forecasting a growth of over 5 per cent in the volume of world trade this year.

However, Gatt's director-general was clearly worried that next week's meeting of the Group on Negotiations of Goods, the co-ordinating body for the talks, would send the wrong signals to the world, and that little time was left to sort out differences.

Developing countries were fully-pledged participants in the Uruguay Round. This was in contrast to earlier Gatt rounds, when most of them had waited for the results and then, as "a

footnote", had asked for and been given special treatment, Mr Dunkel said.

This did not mean that differences in levels of development could be ignored or that the least developed countries should not be allowed more time to implement decisions reached in the talks.

At Montreal, ministers should have the political wisdom to agree on short-term measures to start putting agricultural trade in order.

The current situation in the talks on services differed completely from the situation prevailing before the start of the Uruguay Round, when developing countries fiercely opposed any negotiations.

Decisions for immediate implementation could be reached at Montreal to improve Gatt's dispute settlement mechanism, to involve ministers more closely in the work and to improve the regime for trade in tropical products, a key Third World demand, Mr Dunkel said.

US-Swiss waste system contract

By John Wicks in Zurich

THE Swiss Bihler group, of Uzwil, is to deliver waste-processing systems worth a total of \$400m (£220m) to the Waste-labourer Technologies of the US over a 10-year period.

The agreement, which foresees the formation of a joint venture, involves the supply by Bihler of waste sorters, recycling systems and composting plants for installation in the US.

The first delivery is to take place next year. The two companies, both of them leading makers of waste-treatment facilities, are also to co-operate in technical development.

Boom in Sino-Soviet border trade

Steven Butler in Urumqi looks at growing economic co-operation

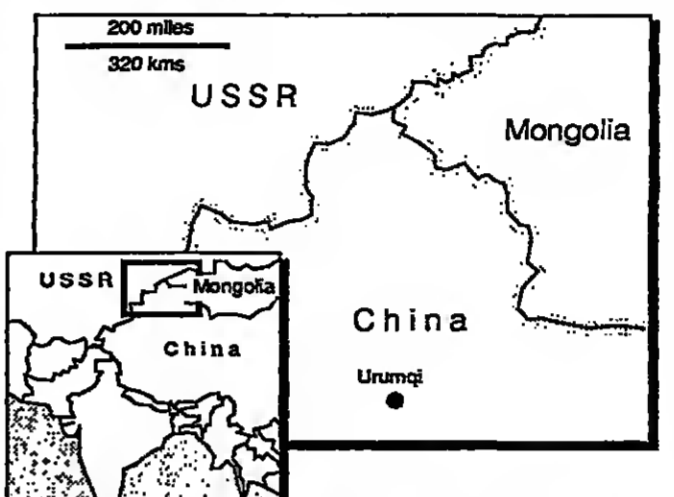
DIRECT TRADE between the central Asian regions of China and the Soviet Union has grown explosively this year in response to a warming of bilateral relations and, more importantly, a decentralisation of their foreign trade systems.

Foreign trade officials in China's Xinjiang Uygur autonomous region, which covers an area three times the size of France on China's north-west frontier, say that direct cross-border trade negotiated by local authorities this year has already surpassed SF100m (£37.7m) in value, compared to SF21m for the whole of 1987. In addition, contracts worth SF200m have already been signed this year.

Trade between the border regions is not a new phenomenon. Before the Chinese revolution, the Xinjiang economy was closely integrated with that of the Soviet central Asian republics and this continued into the 1950s. But following the Sino-Soviet split at the end of the 1950s, trade links were abruptly severed.

In the current boom, goods are exchanged on a barter basis, with nominal prices negotiated in Swiss francs. The trade is balanced, although contracted Soviet deliveries to China are currently running ahead of Chinese sales to the USSR.

The imbalance reflects in part the enthusiasm of the Soviet side, which has offered to increase its supply of goods rapidly to SFrsbn. Xinjiang, however, is unable to absorb trade on this scale.



Negotiations to develop the trade further and to establish joint ventures and other co-operative projects have gone on at a frenetic pace.

Soong He-Lin, deputy manager of Xinjiang's local export and import corporation, says he recently stayed up for three nights in a row while negotiating with a visiting Soviet delegation. Fifty-four joint venture and co-operative development projects are currently under discussion. "There are so many projects now that I cannot keep them straight," Song says. "If you come here next year, we'll be discussing a thousand."

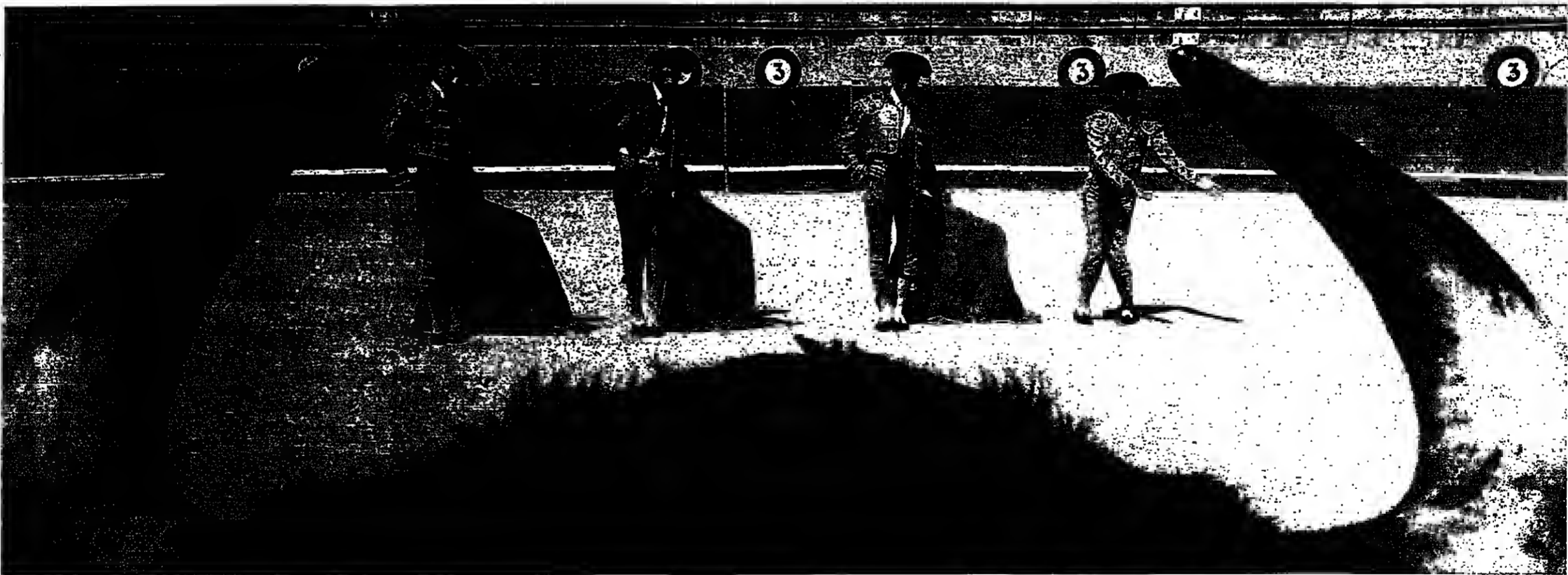
The pattern is reflected on the other side of the border. Xinjiang autonomous region currently has ten trade-related delegations in the Soviet Union

discussing various projects. Trade between the two nations is dominated by manufactured goods on both sides. The Chinese have been buying goods such as chemical fertiliser, steel, vehicles, refrigerators, and other heavy industrial goods.

Around 70 per cent of Chinese deliveries consist of textiles and clothing. The balance is made up by shoes, leather goods, vacuum bottles, and other consumer products.

These locally produced consumer goods are popular in the Soviet border region, which is populated by central Asian peoples who are culturally similar to the minority groups on the Chinese side.

Two co-operative investment projects are in the final stages of negotiation. In one, the Soviets will provide 5,000 spindles



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OVERSEAS NEWS

Debt, death and intrigue on Pacific island

Richard Gourlay, recently in Koror Palau, on the fall-out of a doubtful power deal

THE INVESTIGATIVE arm of the US Congress arrived on the tiny Pacific island of Palau this week to look into a series of intrigues during which the island's president has committed suicide and a New York judge has accused some British banks, led by Morgan Grenfell, of misleading the Palauan Government.

Investigators from the General Accounting Office of the US Congress will concentrate on the role of International Power Systems (IPSECO), a privately-owned British company that went into liquidation in 1986, three years after supplying a \$32.5m power plant to the US-administered Pacific Trust Territory.

In 1983, Palau defaulted on its loans for the plant. It was financed by the International Westminster Bank and County Bank and guaranteed by Morgan Grenfell, the agents for the syndicate, Morgan Guaranty Trust, the Bank of Tokyo, the Bank of Scotland and Orion Royal Bank. The UK Government's Export Credit Guarantee Department was also involved in negotiations and backed NatWest with a second guarantee. The ECGD says it has not made a loss on the deal.

On August 8 this year, some 13 days before President Laza-

rus Selli committed suicide, New York District Court Judge, Mr Robert Sweet, ruled in the favour of the guarantor banks that Palau was liable for the debt irrespective of IPSECO's misrepresentation of the project's viability. Unpaid interest has swollen the debt to over \$46m.

Palau has filed a motion for reconsideration with the district court and plans to appeal if that fails, according to Mr Philip Isaac, Palau's Attorney General.

In his ruling Judge Sweet said that during a crucial May 1983 meeting in London with Mr Gordon Mochrie, the managing director of IPSECO, the guarantoring banks represented by Morgan Grenfell misled Palauan negotiators. He said Mr Mochrie claimed that the banks agreed with IPSECO's forecast that the project would be self-financing and that the banks failed to contradict this false statement.

"It (Mochrie's statement) was not true, and the guarantors failed to state the truth, namely that at best they had no opinion and that at worst they did not agree and were not relying on the project prospects but on the recourse to Palauan funds," Judge Sweet wrote.

The Judge said this was despite the banks' previous

decision to write to the Palauan President to say that their involvement as guarantors did not depend on whether or not the project was self-financing. No such communication was made, the judge said.

Lawyers for the guarantor banks say the fact that the issue is still in litigation precludes them from commenting. However, they point out that the evidence presented to the court about the May 1983 meeting was contradictory.

Mr Selli was the second elected president of Palau. The first, Mr Hauru Remelilik - whose evidence might have thrown further light on the case as he initiated negotiations with IPSECO and was in power when the deal was signed - was assassinated by unknown assailants in 1985.

An investigation by the GAO earlier this year revealed that after the deal was signed IPSECO made unexplained payments to Palauans including \$200,000 to Mr Selli and \$250,000 to his brother the then Speaker of the legislature which had delegated responsibility for the deal to the President.

Both the US Interior and the Energy Departments warned Palau officials before the deal was signed that the IPSECO

loan could not be financed, and that a 16-megawatt generator was too big for the island's needs.

The Department of the Interior will remain responsible for Palau, its 200 islands and its 14,800 inhabitants until a Compact of Free Association is approved by both legislatures giving the islanders independence in everything except security matters.

The results of the GAO investigation could have a bearing on US legislation to implement the compact which will be reintroduced in the next congressional session. An amendment is likely to be introduced before Congress which would significantly improve Palau's ability to service the power plant loan but opposition to changes has been strong in the Senate.

As it is, payment of the loans will make a large dent in the discretionary funds that would be made available under the compact. This is one reason why agreement of the compact is also being held up in Palau.

Some Palauans have accused the US of encouraging Palau to take the huge loan in order to force the Palauans to accept the compact the US is anxious to see in place. The compact gives the US the option to develop military bases. State Department officials say the

immediate goal is "strategic denial" of Soviet access to the islands. An anti-nuclear lobby in Palau has been instrumental in blocking local approval of the compact.

Before IPSECO started dealing with Palau, Mr Mochrie, whose current whereabouts are unknown, had sold a power plant to the Marshall Islands, in which Morgan Grenfell played a role in financing. The Marshall Islands also defaulted on the loans but subsequently rescheduled with the banks.

The Compact of Free Association negotiated with Palau, the Federated States of Micronesia and the Marshall Islands calls on the US to make a lump sum payment into a trust fund in the first year. Accumulated interest and this lump sum are supposed to replace US payments after the 15th year when Washington stops paying under the compact.

However, the Marshall Islands' renegotiation with the banks calls for interest payments to be made from the interest accruing on the trust funds that were originally destined to build up the country's nest egg. Should Palau adopt a similar approach it would be politically controversial in Palau and might fuel opposition in the US Senate where there has been strong opposition to bailing out the banks.

Extremists' action brings Sri Lanka to a standstill

By David Housego in Colombo

SRI LANKA was brought to an economic standstill yesterday in a demonstration of strength by the extremist People's Liberation Front (JVP), that makes the holding of a meaningful presidential election increasingly unlikely.

Factories, shops, restaurants, banks and public transport were brought to a halt across the country after threats by the Sinhalese extremist movement that those who disobeyed would be killed. The total shutdown made a mockery of orders broadcast by the Government the night before for workers in essential services to return to work.

Underlining still further the breakdown of law and order, the JVP organised jail breaks from at least two prisons in the north and south, with JVP members among those who escaped with weapons. The Government declared an all-day curfew in Anuradhapura, an ancient capital and tourist centre in the north.

Senior ministers openly described the situation as "very serious". They feel they have no choice but to go ahead with the election while recognising that JVP intimidation could rob the campaign and the vote of all validity. The



Premadasa: security support

The Government's success in preventing demonstrations shows that the movement is still far from toppling the regime.

The Government itself is deeply divided on how to handle the situation. Some ministers favour the dissolution of Parliament and the setting up of a neutral caretaker government in an effort to defuse the extremists' demands. Others, including Mr Premadasa, want the Government to remain in office so that the party will benefit from the support of the security apparatus during the elections.

Both the jail break yesterday and a weapons seizure from an army camp last week show that the police and armed forces are being increasingly infiltrated by JVP members. Internationally thriving coastal resorts south of Colombo such as Bentota and Beruwala were like ghost towns yesterday. The hotels which earlier in the week were thronged with foreign tourists were completely shut down. The JVP had hung notices on their gates calling for the overthrow of the Government, the doubling of workers' salaries and the eviction of Indian forces from the country.

UK and Iran agree to renew diplomatic ties

By Victor Mallet

IRAN AND Britain, after a final round of tortuous negotiations in Vienna, signed an agreement in the early hours of yesterday morning to resume normal diplomatic relations and put to rest hostility and bitterness behind them.

Sir David Miles of the British Foreign Office and his Iranian counterpart, Mr Mahmoud Vaezi, agreed on a formula which will allow the posting of up to 16 diplomats in each other's capitals. Mr Gordon Prie will go to Tehran shortly as Britain's interim chargé d'affaires, and the two countries are expected to exchange ambassadors within six months if all goes smoothly.

The proposed resumption of full diplomatic ties was announced at the end of September, but a definitive accord was in doubt until yesterday. Some Iranian officials were insisting that Britain take the blame for the breakdown in relations, and Iran also wanted to reopen its consulate in Manchester; the agreement does not apportion blame and does not allow Iranian diplomats to be based in Manchester.

Britain has been the only European power without permanent representation in Iran and is anxious to take advantage of any reconstruction boom in the Gulf following the Iran-Iraq ceasefire in August. British Airways says it hopes to resume flights to Tehran next month.

For its part Iran has been improving its relations with the West and with the Gulf states which supported Iraq during the Gulf war. The Ira-

nian Government is seeking to improve its international image and recently restored diplomatic ties with France, Canada and Kuwait.

Mr Ali Akbar Velayati, the Iranian Foreign Minister, said in an interview with the Associated Press in Geneva this week that Iran would continue efforts to obtain the release of hostages held by pro-Iranian groups in Lebanon.

He also said he was confident that links with the Gulf states would improve, although he saw no prospect of better relations with the US. Radicals in the Iranian leadership still oppose the idea of normal links with Britain, which has been called the "Little Satan" because of its US ties.

Commenting on yesterday's agreement, Sir Geoffrey Howe, the British Foreign Secretary, told BBC radio that the hostages had not been discussed. "There's no deal or bargain or secret agenda," he said. But he added: "What this means of course is we shall be able the more effectively to press the case at every opportunity for the Iranians to use all the influence they have got to secure the release of hostages."

The announcement by Iran and Britain in Vienna said the two governments "have decided to resume full diplomatic representation with immediate effect based on reciprocity, mutual respect and non-interference in each other's affairs." The last phrase was interpreted by British diplomats as meaning that Iran would not involve itself with the Irish Republican Army.

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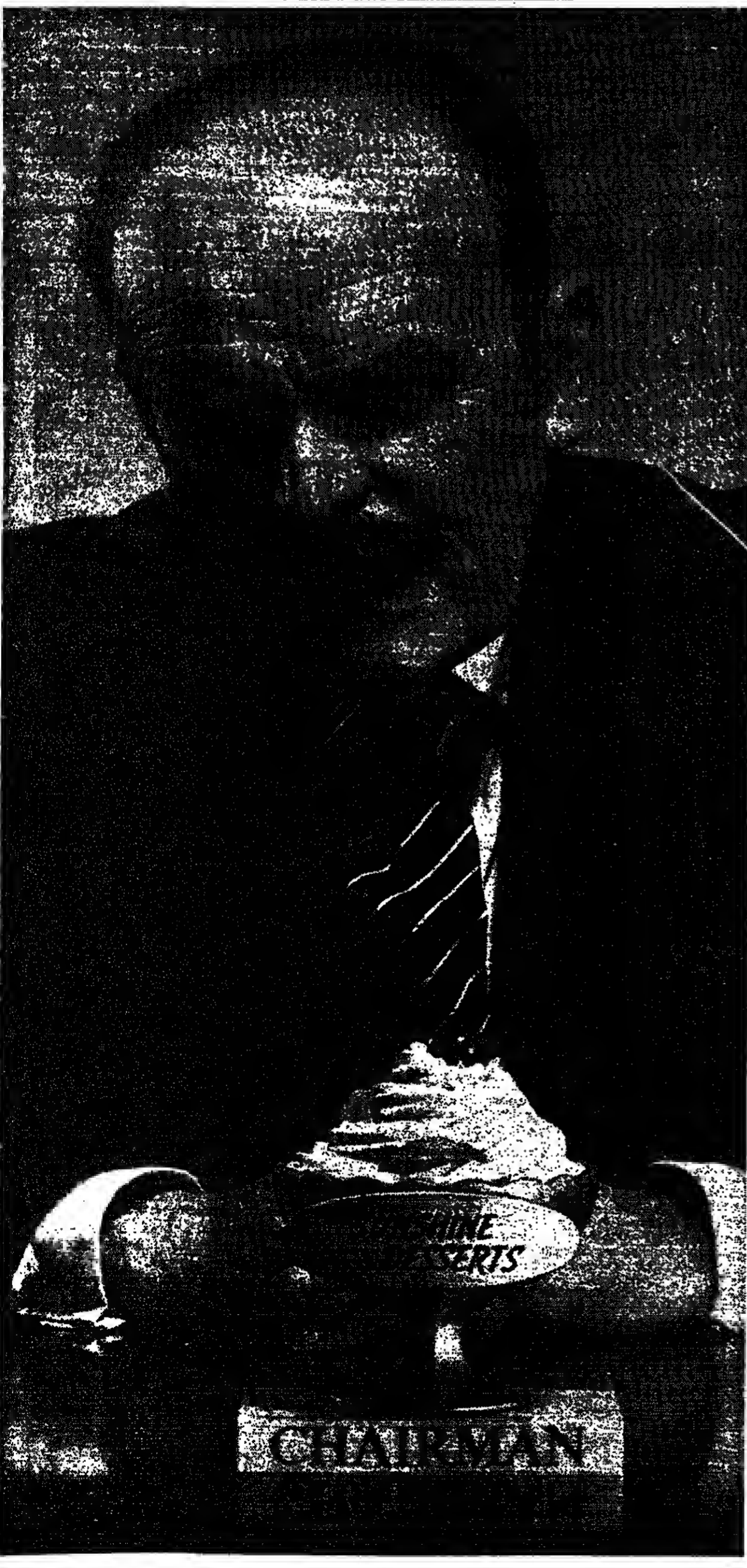
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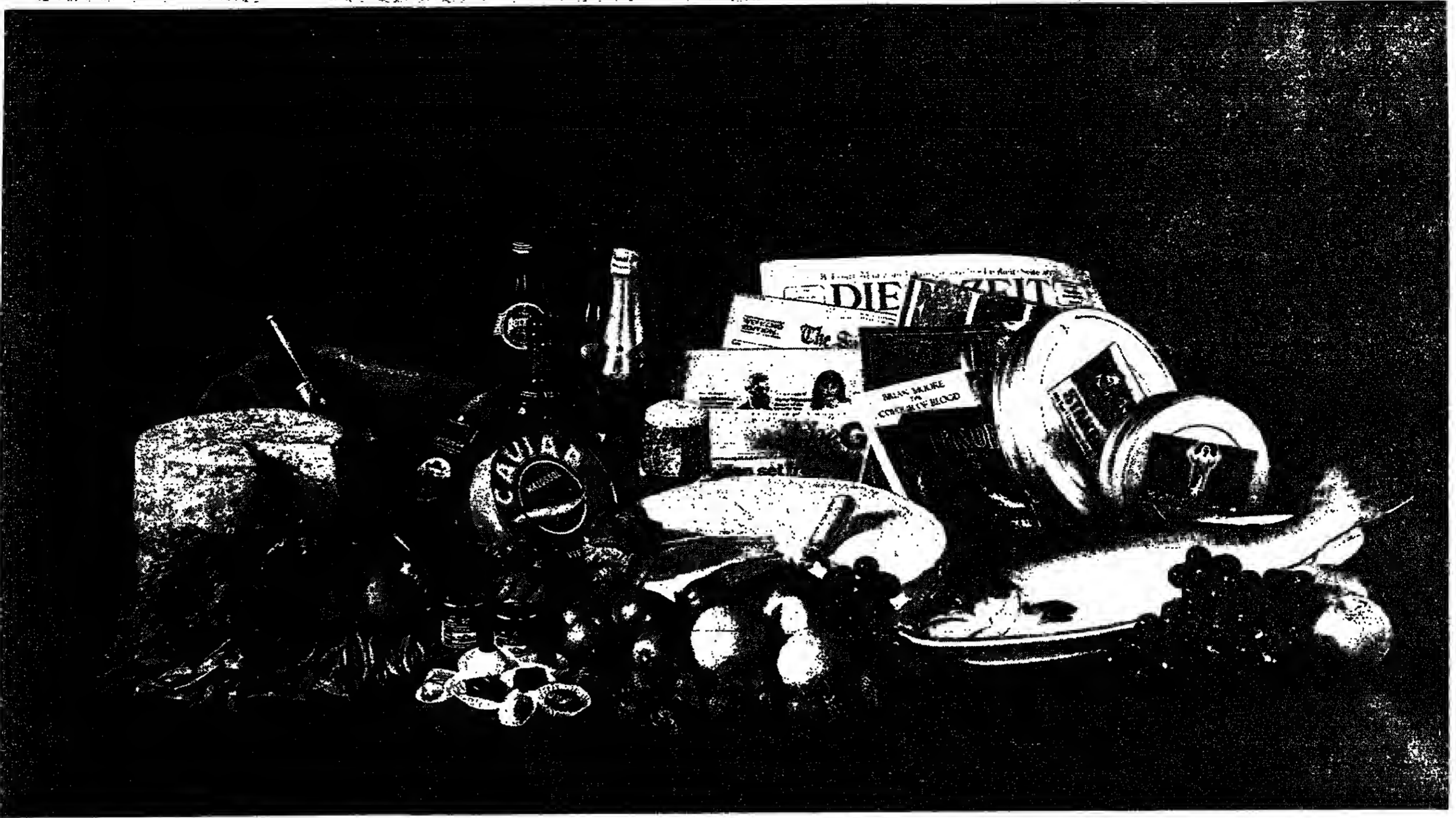
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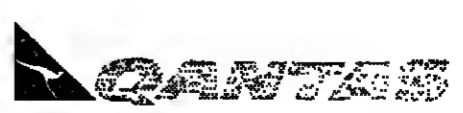


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UK NEWS

Too little regard for safety on London Underground, report says
Managers accused over fire deaths

By Kevin Brown, Richard Evans and Michael Cassell

LONDON UNDERGROUND managers regarded fires as an occupational hazard, and the transport authority gave more attention to economy and efficiency than to safety, Mr Desmond Fennell QC says in his report yesterday into the fire at King's Cross railway station, London, last year, in which 31 people died.



Paul Channon at a press conference after the fire report

Mr Tony Ridley, chairman of the London Underground and Sir Keith Bright, chairman of London Regional Transport, both resigned shortly before the report was published.

The report was highly critical of the management and organisation of both London Underground and London Regional Transport. There was also criticism of the Independent Railway Inspectorate and the London Fire Brigade. However, Mr Fennell says there is no evidence that cuts in LET subsidies and staffing contributed to the disaster.

The report says the fire was caused by smokers' materials dropped on to grease and dirt below a wooden-clad escalator. The "flashover" which caused the deaths, mostly in the station ticket hall, was caused by a hitherto unknown phenomenon called the "trench effect". Mr Fennell says there was no efficient control of staff by London Underground supervi-

ers when the fire broke out just after the evening rush hour on November 18 last year. No-one knew who was in charge, communications were poor, there was no evacuation plan, and there was a general failure to appreciate the severity of the disaster. Staff did not use fire extinguishers, and waterfogging equipment was not turned on.

While the actions of individ-

uals at the time were understandable, and in several cases involved presence of mind and courage, their overall response may be characterised as uncoordinated, haphazard and untrained," he says. Mr Fennell makes 157 recommendations for action to prevent a repetition of the disaster, including the replacement of all wooden escalator parts and a total ban on tobacco

sales at Underground stations.

In the House of Commons, there were angry scenes as Labour MPs called repeatedly for the resignation of Mr Paul Channon, the Transport Secretary, and Mr Nicholas Ridley, a former Transport Secretary, who was accused of contributing to the fire by placing LET in a financial straitjacket.

Mr John Prescott, Labour's Transport spokesman, said Mr Channon and his predecessors had to accept "a great deal of responsibility for the tragedy".

Since the tragedy, Mr Prescott claimed, there had been an average of four fires a week on the Underground system and a serious fire every two weeks.

Mr Channon rejected Labour accusations that LET had been obliged by the government to put financial targets before safety and he accused the opposition of trying to make political capital out of the tragedy. There was nothing in the report, he claimed, which justified his resignation.

He said that, despite the steady decline in subsidies, annual capital expenditure on the Underground system had doubled in real terms since 1982 and that £228m would be spent on underground safety alone over the next three years. Editorial Comment, Page 20

MR DESMOND FENNEL, QC, says in his report that the fire on the Underground was noticed at 7.29pm on November 18 last year after the usual 100,000 or so passengers had passed through the station during the evening rush hour.

The alarm was raised by a passenger, travelling up escalator number four from the Piccadilly Line to the main course, who noticed a small fire underneath a sign.

Four minutes later, a policeman notified British Transport Police HQ, and by 7.42pm the first fire engine arrived from Soho with Station Officer Colin Townsley on board.

Meanwhile, at 7.38pm, relief Underground station inspector Mr Christopher Hayes twice entered the machine room under the escalator, but forgot to turn on the water fogging (sprinkler) machinery because he was preoccupied.

At 7.45 pm, as Mr Hayes and a station inspector were about to leave the machine room they heard a "whoosh" and the crackling sound of fire. This was the flashover, as the fire spread in seconds from the escalator into the ticket hall.

On the escalator, PC Stephen Hanson was trying to get passengers to leave the area when he saw "a jet of flames shoot up from the escalator shaft, hit the ceiling of the ticket hall, and travel along the ceiling towards him."

"PC Hanson was caught off balance, crawled back to the Victoria Line escalators, and shouted to passengers to keep low and get out through the ticket hall by the nearest exit.

Staff 'ill-equipped' to meet emergency

Mr Paul Channon, Transport Secretary, said yesterday that Sir Keith Bright, London Regional Transport's chairman, and Dr Tony Ridley, London Underground chairman, had reached the "right conclusion" in resigning. KEVIN BROWN, Transport Correspondent, examines the findings of the report into the King's Cross fire.

"The heat increased. Flames licked the roof of the ticket hall and swirled towards PC Hanson as he made his escape through the Tube lines ticket hall to the Euston Road south exit, suffering serious injuries as he did so."

It was 1.46am before the fire was finally declared to be out by the London Fire Brigade. By then 31 people had died, including Station Officer Townsley.

Mr Fennell says that Mr Hayes was unprepared to take charge of the incident. As well as failing to operate the water fogging equipment, he failed to notify the station manager or line controller as soon as he received the report of the fire.

Those serious omissions may have contributed to the disaster. "It is possible that the chain of events was too far advanced for any action on his part to have averted the development of the fire, but it might have delayed it."

However, Mr Fennell emphasises that no blame for the disaster can be attached to the Underground staff on duty

first appliance was killed and those in charge of two others cut off below ground, after which communications broke down.

Mr Fennell says the fire brigade could have been called when a separate fire was reported 15 minutes before the Piccadilly Line escalator fire was noticed.

That fire was extinguished by a member of the Underground staff, who acted in accordance with the Underground rule book.

Mr Fennell says there was a lack of liaison between the brigade and the Underground staff. One set of plans of the station was hidden behind a temporary hoarding, and another could not be reached because of dense smoke.

The report says it is surprising that the fire brigade did not attempt to find an alternative entrance to the Underground station.

Assistant Chief Fire Officer Albert Kennedy did not make full use of opportunities for liaison with Underground and Metropolitan Police staff, and opportunities to pass vital information were missed.

Mr Fennell rejects both theories put forward by London Regional Transport at the inquiry - that the fire was caused by an arsonist, and that the flashover was caused by a point manufactured by Profire which had been used to coat the ceiling of the escalator shaft.

He says the fire was caused by smokers' materials, probably a discarded match, which fell under the escalator.

Markets urged to move under one roof

By Dominique Jackson

A BRITISH minister called yesterday for the unification of London's many diverse commodity, futures and options markets under one roof.

It is the Government's most explicit plan to date for UK financial markets to pool their resources and thus fortify themselves against increased competition from abroad.

"The advantages of depth and liquidity that such an arrangement would bring are so evident that I believe London cannot afford not to pursue it. This has become urgent because the competition is intensifying daily," Mr Francis Maude, Britain's junior trade minister, told a financial markets conference in London.

Mr Maude has called in the past for closer links between London's myriad derivatives markets, but this is the first time that he has publicly urged the markets to work towards physical co-location. He has, however, already floated the idea of a single, integrated group of exchanges to similar figures in the industry, most of whom are sympathetic to the proposal.

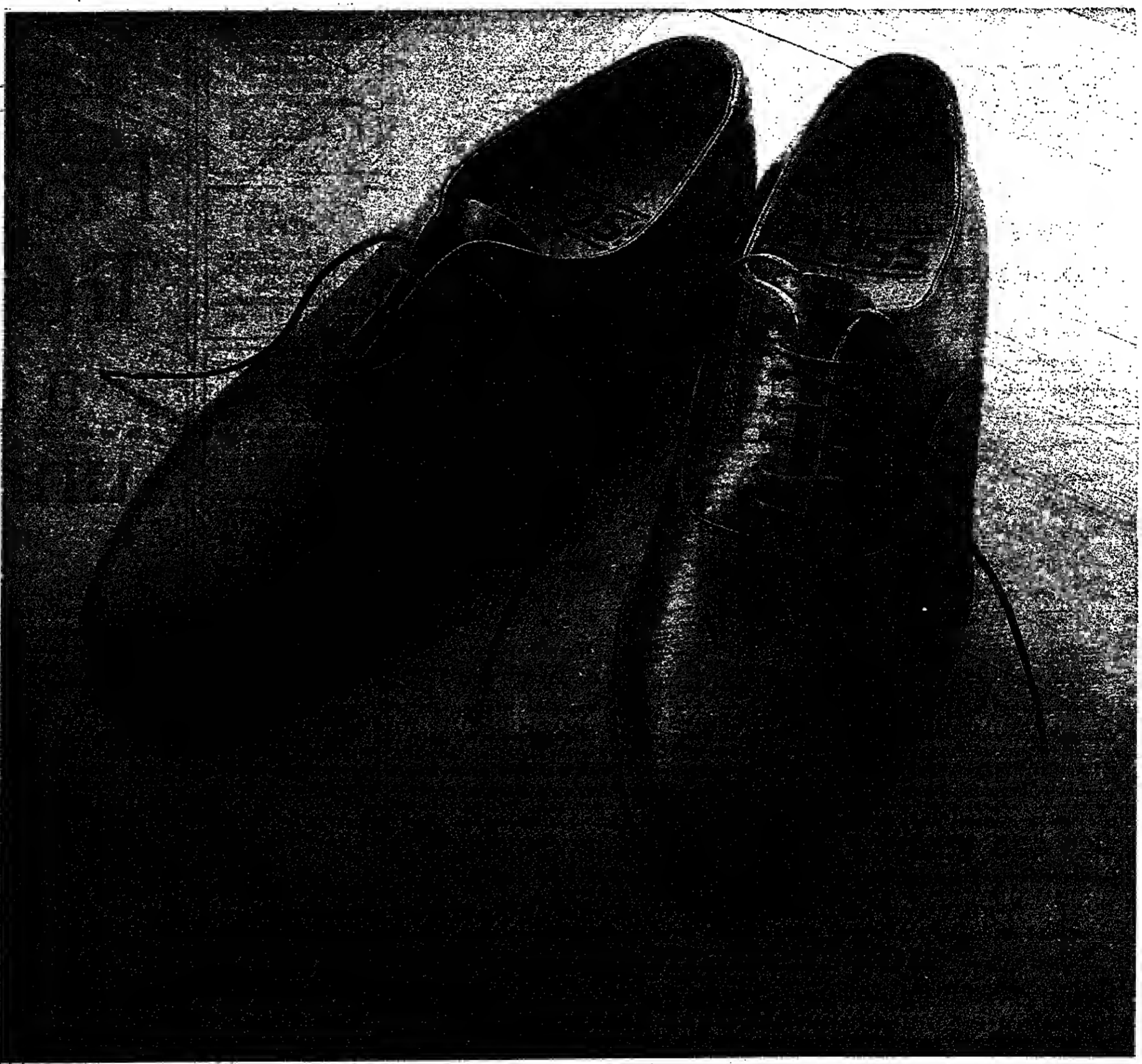
London houses a particularly wide range of derivatives markets, second in the world only to Chicago. These include the London International Financial Futures Exchange (Liffe), the International Petroleum

Exchange, the London Metals Exchange, London Fax, trading mainly commodity futures, and the London Traded Options Market (LTOM) of the Stock Exchange. All of these exchanges trade diverse products and currently occupy different premises.

"The idea of a physical meeting place for all of these markets is obviously a desirable one and one which we believe is realisable, although it is bound to take some time. We also envisage the integration process happening by stages and not suddenly in some kind of grandiose scheme," said Liffe chief executive Mr Michael Jenkins.

Market participants agree that uniting the exchanges would result in excellent synergies on a broad level and progress is being made in some quarters, including the recent enhanced links between Liffe and the LTOM, which Mr Maude commended in his speech yesterday.

However, past efforts to effect closer co-operation have run against a variety of obstacles, not the least of which are problems of standard margin levels and common guarantees, while substantial and costly work would have to be done to integrate the several distinct trading systems currently in use in each exchange.



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THE PROPERTY MARKET

Paul Cheeseright looks at shopping centres in Northern Ireland
Rush of activity in Belfast

Police checks on the movement of vehicles into the main shopping streets of Belfast city centre were in place as usual. But earlier this week no troops were in evidence - just consumers. Belfast businessmen are keen to assure visitors that everything in the city is quite normal, bombs notwithstanding - and that most people just get on with living. To the extent that those in work have been taking part in the national consumer spree this is true. To the extent that Belfast has its own buoyant retail property sector, it is also true.

The English multiples have rediscovered Northern Ireland. The high security in the area meant that there was a delay in following the expansive pattern of the mainland, recalled Kevin Milhench of Lambert Smith Hampton, chartered surveyors. "When The Troubles started in 1969 - from then to the mid-1970s - the tendency was for the multiples to leave Northern Ireland rather than come - not that there were many."

This decade, the position has changed. The authorities have made it their policy to ensure that Belfast city centre is the focal district for shopping in the region. Local shopping facilities on the arterial roads in the city have deteriorated because of security problems, and so the centre of the town has in any case become a more important retail destination.

In 1984 Marks and Spencer extended its store. It was followed the following year

by British Home Stores and then by C&A, Littlewoods, Woolworth and Boots.

During the 1970s there was one significant retail development in the city centre. In 1980 total development activity in the city centre - retail and offices - was worth about £40m. Now more than that is at stake in one scheme.

John Laing Developments, helped by some Urban Development Grant and comforted by a Government pre-letting of 170,000 sq ft of office space, is constructing the Castlecourt complex which, in addition to the offices, will have a total 945,000 sq ft of office space. This is a 280m development, the biggest in the city and is just on the northern edge of the centre. But so far no major department store tenant has been announced.

A smaller complex is being built by Sheraton Caltrust and another, a mixture of small shops, car park and offices, developed by Ewart, the Belfast company, opens next week.

This spurge of activity is not surprising. Like England there has been pressure on retail space and rents have moved accordingly, beckoning the developers. Two years ago, prime pitches attracted £80 per sq ft. Now they are around £120 and aggressive searchers for space, such as Waterstone's and Etam, have been paying premiums.

(These rents are not immediately comparable with England. In Northern Ireland Zone A covers the first 25 ft from the front

of the shop, not 20 ft as in England.)

What Lambert Smith Hampton call "a consistent record of rental growth" has also been a stimulus to the investment market. This phenomenon is not confined to Belfast. The turning point was probably in 1986 when Land Securities came into the market and paid £10.3m for the Ards shopping centre in Newtownards, County Down. This represented an initial yield of 10.4 per cent.

This prompted others to make enquiries and this year there has been heightened activity on narrower yields. Woolworth recently completed a series of sale and leaseback deals on five properties, only one of which, in Lisburn near Belfast, was in a prime location. The yield was 8.3 per cent.

The sale of four shopping centres, in Antrim, Ballymena, Londonderry and Portadown to a consortium of Brookmount, Hampton Properties and Antrim Newtown Developments by the Department of Environment was done on a yield of just under 7 per cent. Burton Property Trust has bought a prime Belfast city centre property on a yield of 4.8 per cent, although that will widen after reversions.

How long this will go on is not clear. Substantial new developments are planned which will have a marked effect on capacity. "There is a danger of going over the top. I believe we're coming to that situation," said Mr Milhench.

Solving problems at Ewart

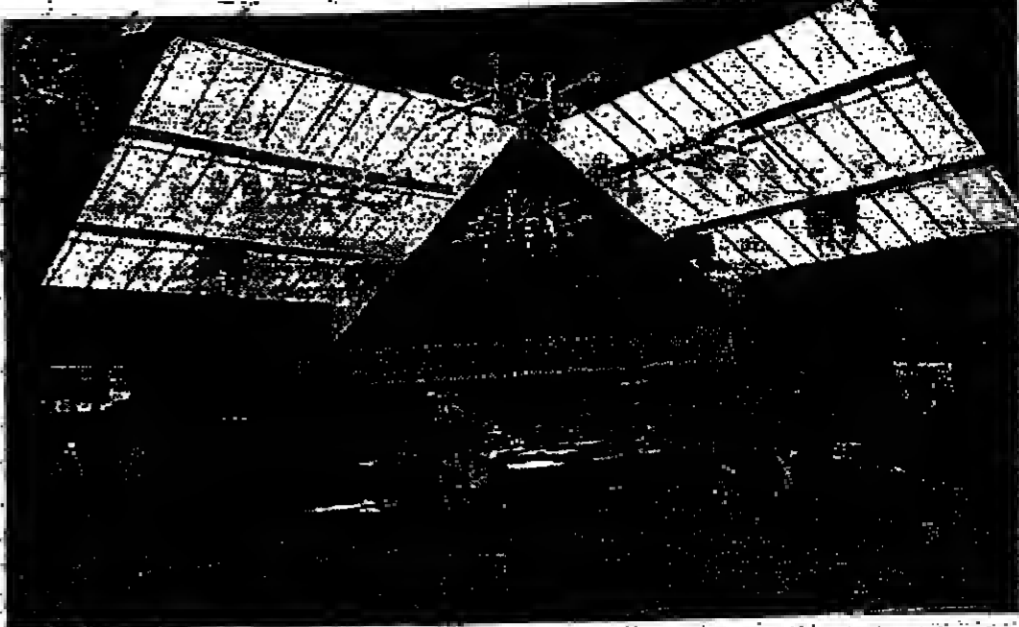
The great problem for the property developer in Northern Ireland is the absence of the institutional buyer. Although the market in retail property has improved, the main players in it are not insurance companies and pension funds but property companies.

"For a long time there has been no institutional money," said John McIlroy, chairman of Ewart, the Belfast company which, now that Brookmount has shifted most of its operations to England, is probably Northern Ireland's biggest indigenous development and investment company.

"The institutions held their buildings. They used 50 per cent of the space and let the remainder. They were looking for security and growth and they didn't get it," he said. The result is a constraint on a developer's financing.

There is no shortage of bank funds available and Ewart will play the field for the best rates available. But it has to present the bank with a package and take on to the balance sheet as an investment.

The approach means restraint during the construction period. "We have to be cautious about construction costs and the time factor.



Shopping mall in the centre of Belfast: a thriving example of the national consumer spree.

oper would have to pay. For the banks, the loan is secured against the site and the expenditure which has already taken place. Ewart keeps this leading off its balance sheet. Indeed, said Mr McIlroy, "the real trick is not to borrow against existing assets." Once the development is complete, it is refinanced with a commercial mortgage and taken on to the balance sheet as an investment.

The approach means restraint during the construction period. "We have to be cautious about construction costs and the time factor.

There's panic if there is an overrun." Ewart's largest new projects in Northern Ireland are likely to come through a 50-50 joint venture company it has set up with Co-operative Wholesale Society, but its maximum financial exposure is £1.5m. "We get a development programme without great risk," said Mr McIlroy.

The biggest scheme on the stocks for the new company is the conversion of the Gallaher tobacco factory near the centre of Belfast. Completion of this scheme would push Ewart into a higher league. It

has been built up from a clean shell company with £2m of assets to a £20m company in two years. But it is clear that, even with the CWS joint venture, the financing limitations in Northern Ireland will force greater geographical diversification.

Mr McIlroy is looking at possible acquisitions in Ireland as a step towards quotation on the Dublin market and easier access to Irish financial institutions. Ambitions to go into northern England and Scotland will most likely be through joint ventures.

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Buyer is misled by German contract

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the real question was whether Mr Harvey could justly rely on his ignorance of German to say the acknowledgements were misleading...

Mr Harvey issued a writ claiming damages for breach of contract. He contended that the machines as erected did not comply with warranties...

Mr Harvey applied ex parte for leave to serve a concurrent writ on the manufacturers in Germany...

He submitted the contracts had been broken within the jurisdiction, since the manufacturers had agreed to erect the machines at his premises...

After the writ had been served the manufacturers applied to the judge inter partes to have his earlier order set aside...

Even in such cases there was still room for enquiring whether in all the circumstances the offeree was misled in some way which entitled the court to conclude that he had not assented to one or more of the terms of the document...

The judge considered that the typed texts of each set were identical, and each was signed by the manufacturer...

Naylor [1917] 1 KB 712. There Lord Atkin said, with regard to a sold note which was recognised as contractual...

Mr Caldwell for the manufacturers submitted that on an enquiry as to whether a reasonable man would have been misled, only the terms of the document which the offeree had signed or accepted as contractual could be considered...

The undisputed material was whether it was proper to conclude that Mr Harvey was misled by the difference between the two sets of documents...

Since one set of documents was blank on the reverse, he was entitled to assume that the printed material on the other set, which he did not understand and which had never previously been discussed, was not intended to form part of the acknowledged order...

If he had not regarded the printed German text as immaterial he would not have counter-signed and returned the set which contained it, since that would only have been asking for trouble...

To hold that Mr Harvey must be treated as having assented to the German jurisdictional provision because he counter-signed and returned one set rather than the other, would be an unreasonable interpretation of the contractual terms agreed...

The appeal was allowed. The judge's original order giving leave to serve the manufacturers in Germany was upheld.

For the manufacturers: Andrew Caldwell (Peters Cholmeley) For Mr Harvey: Murray Rosen (Denton Hall Burgin & Warrens) Rachel Davies Barrister

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EAST RAND GOLD AND URANIUM COMPANY LIMITED Registration No. 71107001/06 Notice to holders of 15.5 per cent unsecured convertible debentures 1988/1991 - interest payment No.9 WESTERN DEEP LEVELS LIMITED Registration No. 57102349/06 Notice to holders of 12 per cent unsecured debentures 1986/1993 - interest payment No.17

Ninety-one per cent of British businessmen believe that 1992 will be good for business.

Good news. Well yes, except that behind this statistic lurks another. Forty-one per cent of those surveyed, revealed they had no game-plan whatsoever.

Frankly that's something that worries the life out of us.



HOW WILL 41% OF BRITISH BUSINESSMEN ENTER 1992?

In 1992, we'll all be fish in a much larger pond. And whilst this means more opportunities, it also naturally means more predators.

For the fact remains that if you can see an opportunity, so can your rivals.

So how can you make sure that as all the rules change, you know how to play the game and win?

Well to start with, you need expert advice. And having worked closely with many clients in Europe, that's something we're well placed to provide.

We'll give you an in-depth analysis of how 1992 will affect not only your business, but that of your clients and suppliers.

And we'll follow this up with a detailed plan of action, telling you what you should be doing about it.

More important, thanks to our extensive network of European offices, we can also give you on-the-spot help as you put your game-plan into practice.

So that, come 1992, when everyone else is waiting for things to change, you're up there making the changes.

E&W Ernst & Whinney
Accountants, Advisers, Consultants

TECHNOLOGY

The quest for 'ozone friendly' gases

Clive Cookson examines the chemicals industry's response to an environmental issue

Chlorofluorocarbons (CFCs) - the chemicals being phased out because scientists believe they are destroying the ozone layer - are an essential ingredient in a myriad of industrial and domestic products. They go into refrigerators and air conditioners, insulating foam and packaging, aerosol sprays and cleaning agents for materials ranging from clothes to computer chips.

In the face of disturbing evidence that CFCs are destroying the ozone which protects the Earth from harmful solar radiation, the main CFC manufacturers have agreed this year to cut their production by at least 85 per cent by the year 2000 and, if possible, to stop making them altogether.

This is the first time that the chemicals industry has decided to phase out an important group of compounds for environmental reasons. The consequences will be very expensive. Du Pont, the world's largest CFC manufacturer, estimates that the industry will have to spend \$5bn developing and producing alternative chemicals during the next decade.

Users of CFCs face an even larger bill as they adapt to the more expensive substitutes. "In the US alone there is now more than \$135bn worth of installed equipment dependent

on the stability of CFCs, which makes them so useful on Earth, means that they are a threat to the upper atmosphere. When they drift up to the stratosphere they are broken down by radiation from the sun. In the resulting chain reaction one CFC molecule can destroy many ozone molecules. Scientists and environmentalists became concerned about this threat to the ozone layer in the 1970s, and the US banned domestic aerosols containing CFCs in 1978. But without "proof" of damage, world-wide consumption of CFCs continued to increase.

The turning point came in 1985 when the British Antarctic Survey discovered that, for a few weeks each spring, the ozone layer over the South Pole became much thinner. Although this "ozone hole" is the result of exceptional Antarctic weather conditions, it is a warning of what could happen globally if more and more CFCs are released.

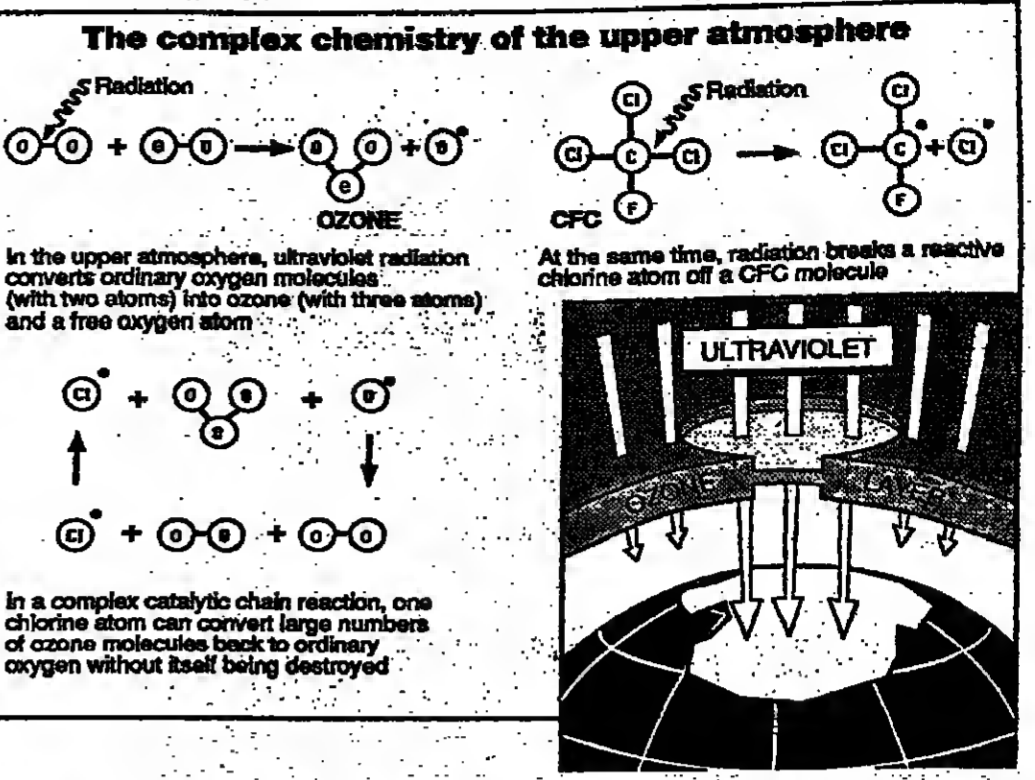
A thinner ozone layer lets more ultraviolet radiation from the sun reach the Earth. This has adverse effects on the health of humans (including an increase in skin cancer), other animals and plants.

In September 1987, industrialised nations signed a treaty - the Montreal Protocol - to cut CFC production by half by 2000. Since then, there has been further evidence of ozone depletion: scientists have discovered that up to six per cent of it disappears temporarily over northern latitudes during the winter.

At a UN Environment Programme conference in The Hague last month, government and industry representatives agreed that the Montreal Protocol should be tightened up to require an 85 per cent reduction in CFC production.

There are still no acceptable substitutes for CFCs in most other foam-blowing applications, such as the "rigid foams" used to insulate buildings and refrigerators and the "flexible foams" that go into car seats and soft furniture. In the 1990s, the manufacturers of these goods will probably be competing for dwindling supplies of CFCs, which may have doubled in price.

The refrigeration industry is particularly dependent on CFCs. It uses them indirectly in insulating materials and directly as refrigerants. HCFC-22 can replace CFC-12, the most widely used refrigerant, in some applications. For instance, new freezer cabinets supplied to the UK's environmentally conscious supermarket



blowing applications. HCFC-22 is actually a CFC in which one chlorine atom has been replaced by hydrogen. This makes it much less damaging to the environment, but not entirely harmless. Scientists estimate that its capacity for destroying ozone is about five per cent of that of a CFC. "You can see it as part of the problem or part of the solution," says Chris Tain, marketing manager for new fluorocarbons at ICI, the largest UK manufacturer of CFCs. "We believe that HCFC-22 is part of the solution."

Hona Weir, an environmental campaigner with Friends of the Earth, says of HCFC-22:

"We're prepared to accept it as a bridging measure for refrigeration, though not as a long-term solution. We do not accept it in the food packaging industry, for example, where there are adequate substitutes that are no threat to the environment."

The manufacturers of household aerosols and foam packaging for foods have been the fastest to abandon CFCs because they felt vulnerable to consumer boycotts. In the UK, they have all promised to change to "ozone friendly" substitutes within a year.

These substitutes are usually hydrocarbon gases such as butane and pentane, which are

inflammable but cannot damage the ozone layer. But some manufacturers of CFC-blown foam for the food industry - hamburger cartons, egg boxes and supermarket meat trays - have switched to HCFC-22. "We cannot possibly use pentane because our plant is not equipped to handle such an inflammable material. It could put our whole workforce in danger unless we spent a tremendous amount of money adapting the whole plant," says Malcolm Street, managing director of Fairway Packaging in Merseyside.

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kets run on HCFC-22, even though both the installation and running costs are seven to 10 per cent higher than with CFC-12.

The most promising future substitute for CFC-12 is a hydrofluorocarbon called HFC-134a, which contains no chlorine and therefore does not threaten the ozone layer. Both ICI in the UK and Du Pont in the US plan to spend tens of

millions of pounds over the next three years scaling up production of HFC-134a. Unfortunately, it is more complex than CFC-12 and will require a more elaborate and expensive manufacturing process.

The short-term constraint on introducing HFC-134a and other new CFC substitutes is the need to carry out thorough toxicity tests. The world's 14 main CFC manufacturers have agreed to carry out the required testing jointly. By avoiding duplication, they should cut the time required for toxicity testing from seven to five years.

The manufacturers say that they are taking a calculated risk by building factories to make HFC-134a before it has completed these tests; preliminary results make them confident that it is safe. A more serious problem with HFC-134a as a coolant may be the fact that it is not compatible with the oils used to lubricate current refrigeration systems, so its introduction depends crucially on the development of a new lubricant.

Even if all the technical problems about introducing HFC-134a are solved, the refrigeration industry faces the

To stay competitive your company must increase productivity at least 10% a year.

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Our people have career experience in a wide range of businesses, from banking to manufacturing to communications. So when you're up against tough competition, you'll be working with professionals who have done it before in a business-like yours.

Unisys is a \$10 billion international information systems company committed to delivering integrated hardware and software solutions that work with your existing systems. This means your investment works harder.

But that's not the only difference between us and the competition.

Unisys is the acknowledged leader in fourth-generation languages, powerful tools that let you develop applications faster and manipulate information more easily so you can react more quickly to business changes.

The result is better, more actionable information that will lead to better decisions. And better decisions will keep you competitive.

BETTER INFORMATION. BETTER DECISIONS.

UNISYS

The power of 2

daunting task of disposing safely of millions of tons of CFCs sitting in the world's freezers, fridges and air conditioners. "Our biggest worry is that, at present, there is no feasible way of getting rid of CFC-12 apart from simply releasing it into the atmosphere," says Ron Baker, director general of the British Refrigeration Association.

"There is a desperate need for research into ways of destroying CFC-12. Whether this should be funded by the people who made it, or by governments, I don't know."

Electronics companies are finding it hard to curb their appetite for CFC-113 cleaning fluids. No general replacement for CFC-113 is in prospect and the industry will probably have to turn to a combination of strategies: water cleaning technology, organic solvents, new bonding agents which do not need cleaning, and better recycling and recovery.

Experts at a United Nations Environment Programme conference last month estimated that the electronics industry could cut its CFC consumption by almost half simply by changing to less wasteful cleaning procedures.

Electronic newspaper for the blind wins award

By David Fishlock

A SWEDISH invention which makes available to the blind a complete newspaper is being taken down to the small scale. It has won an award from the UK's Institution of Electrical Engineers.

The IEE makes the award every three years for the best application of electrical, electronic or software engineering to improve the quality of life for the disabled.

The £5,000 prize was presented in London yesterday to the system's developer, Henryk Rubinstein, a research fellow in information technology at Chalmers University of Technology, Gothenburg.

He points out that subscribers get their news ahead of the normal morning paper delivery, because the system uses spare radio capacity to transmit text overnight. So far, there are only 36 subscribers, but the Swedish Government plans to make it more widely available.

Rubinstein has been working with Sweden's second largest morning newspaper, the 300,000-circulation Goteborgs-Posten, which originally proposed the project.

The full text of the newspaper is transmitted to subscribers over FM radio waves when the local station closes down at 2 am. At a speed of about 4,000 characters a second, it takes four to five minutes to transmit a typical edition of about 40 pages, Rubinstein says.

The process starts once the last edition of the newspaper is printed. The text stored in the composing computer is dumped into a five-megabyte Winchester disk under the control of a microcomputer.

Then an operator transfers text page by page in the same order as it appears in the paper. He edits out commands for photocetting, before sending it by cable to the transmitter, where it is stored again on a Winchester disk.

Each subscriber's reception equipment with a large memory. Text is transmitted in blocks of 256 bytes with pauses to give a relatively inexpensive receiver time to ensure that it has caught each block.

Each subscriber is equipped with a speech synthesiser that can speak the text in one of the main European languages. The user has push-button control of delivery through a braille terminal. He can skim the headlines, listen to a complete story, or search for a particular section or article.

If the blind subscriber is not to receive an indigestible mass of verbiage, however, newspaper co-operation is needed to prepare it for electronic presentation. The computer-stored text should be sorted into convenient compartments - front-page, sport, business etc - to assist a reader who cannot turn pages.

Within each article, headlines, crossheads and so on must be identified to prevent confusion. Headlines can be grouped to form an index. In addition, some way of distinguishing important news is needed, such as organising all text into a merit order.

Receiving equipment for the radio distributed digital newspaper for the blind - abbreviated in Swedish to Rats - has been made piecemeal for the 36 subscribers, mainly by Rubinstein's university. It has cost about £3,000 to equip each subscriber.

But the Swedish Government has now undertaken to give blind people the choice of Rats or an alternative system of audio-recording newspaper articles on cassettes.

In the UK, the Royal National Institute for the Blind is looking into the electronic newspaper idea.

In search of the perfect cuppa

TEA DRINKERS seeking a tastier corporate cuppa might find the answer in a new tea machine produced by ARA Services, a vending machine and catering company, of Reading in the UK.

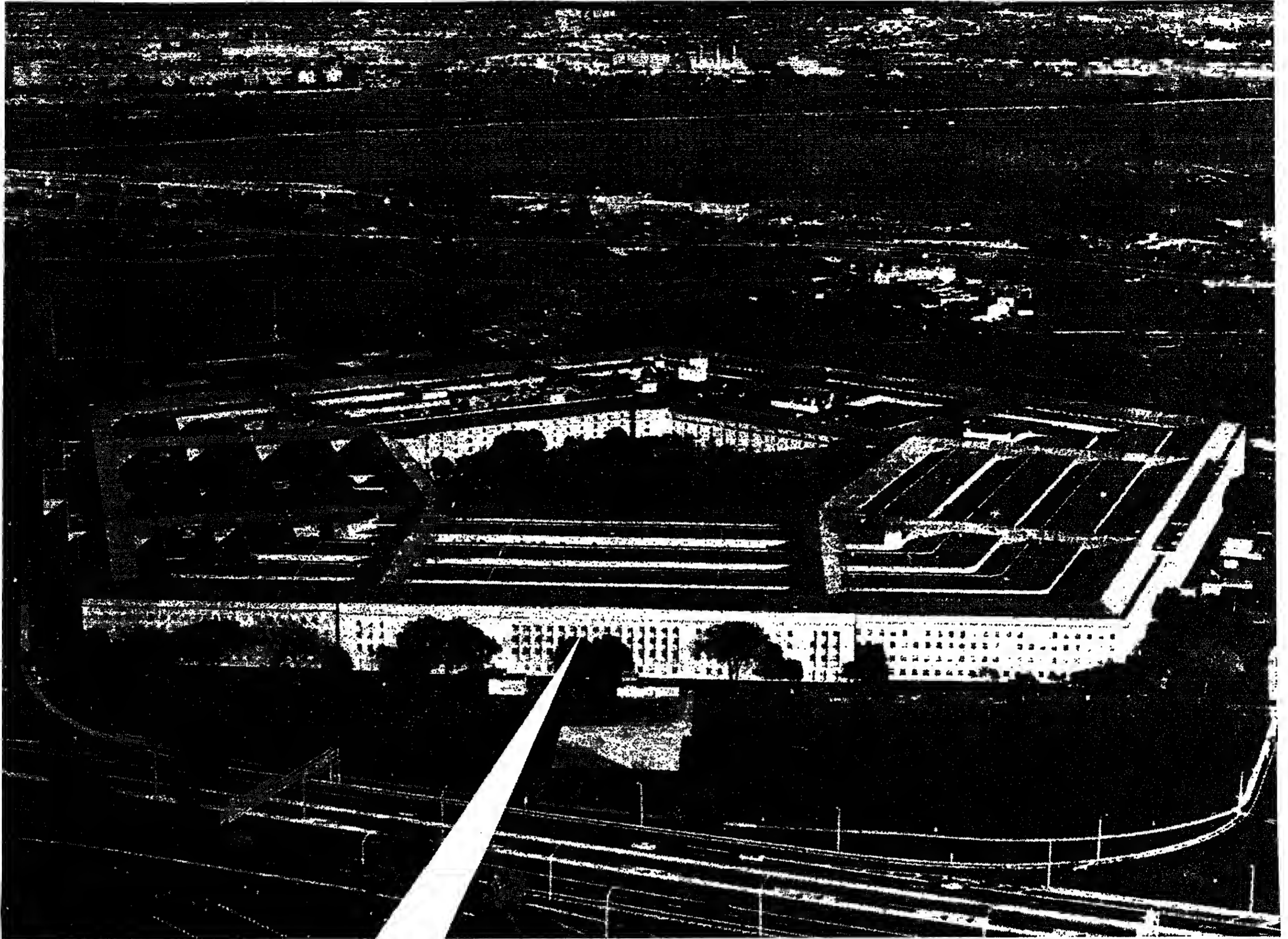
The tea maker, which resembles a filter coffee machine, took two years to develop. One of the most important tasks was to make a filter that would extract chlorine, heavy metals and other impurities from the water. A charcoal and resin filter proved the best and the water tested came from the London area, where it is the most frequently recycled.

The machine can keep the tea hot for an hour or more without it becoming stewed because the water passes through a giant teabag into an aluminium jug.

In the UK, tea is by far the most popular drink taking 45 per cent (by volume) of the beverage market. The average Briton drinks four cups of tea a day - the equivalent of 1,354 cups a year. Coffee accounts for only 21 per cent of the market, but is far more popular than tea in offices. Jim Devlin, a divisional managing director of ARA, believes that this is because tea quality has been so unreliable.

ARA's revenue comes from the sale of tea in its proprietary bags. It provides the machine and maintains it free of charge, so long as the customer guarantees that more than 36 cups a day will be drunk.

The cost per cup works out at between five and seven pence, and the tea comes in four varieties: original, traditional, Assam and Darjeeling.



Whadd'ya mean their computer is more powerful than ours?

Seven years ago Guardian Royal Exchange commissioned the largest commercial computer in the world.

It gave us enough power to outgun even the Pentagon. It could deal with 9 million instructions per second.

"You have," said the engineer in charge of its installation at our headquarters in Lytham, "mind-boggling capacity here."

The point is, while we needed that capacity then, we need it even more now.

Not only to back up our policies and policy

holders. But also to relay information to branches, brokers and staff as quickly and as accurately as possible.

Now, in a matter of seconds, we can calculate a motor premium rate for a policy holder who is, say, 27 years old, female, and lives in Manchester.

And who drives a Mercedes, has a 40% no claims bonus, and commutes to work in Liverpool.

But that's only part of the story. We've all heard of 007. Consider 02. This is one of our sophisticated corporate planning programmes.

It means our senior managers around the

world can look at a number of assumptions on a computer screen and review the last five years of their business, or evaluate the next five.

They can compare the effects changes in underwriting results, premium income, expense ratios etc. will have on dividends, share earnings, asset values and so on.

This kind of technology helps us not only to price competitively, but to innovate exciting new products in tune with our markets.

Meanwhile, we're continually updating our computer power. It's now eight times more powerful, with the ability to handle no less than 73 million instructions per second.

And still our experts tell us, we ain't seen nothing yet.



GUARDIAN ROYAL EXCHANGE
One step ahead, then another

ARTS



Der Fliegende Holländer, conductor Peter Schneider...

Berlin Deutsche Oper, Karajan's production of Der Trombones...

OPERA AND BALLET

Royal Opera, Covent Garden, Massenet's Manon...

Paris Opéra, Raymond, Glazunov's 3-act ballet...

Vienna State Opera, Ballet: La Fille mal gardée...

performances by Michal Shamir, Vincent Cole, John Hawesley...

Amsterdam Muziektheater, The National Ballet with a programme of ballets...

The Hague Denksteater, The Netherlands Opera co-production with the English National Opera...

Florence Teatro Comunale, Tchaikovsky's Nutcracker...

Torino Teatro Regio, Silvano Buscotti's production of Puccini's La Gioconda...

Stuttgart Opera, Die Kameleondame is revived with choreographer John Neumeier...

Rome Teatro Dell'Opera, Season opens with Filippo Sanjust's production of Donizetti's Poltino...

variation by William Ashbrook and Federico Agostinelli follows closely Donizetti's autograph edition...

New York Metropolitan Opera, Opera House, Lincoln Center. First performance of Madame Butterfly...

Washington Washington Opera, Opera House, Kennedy Center. Nelly Miricioiu takes the role of Violetta Valery...

Cologne Opera, Die Frau ohne Schatten, produced by the late Jean Pierre Ponnelle...

Tokyo Bayerische Staatsoper, from Munich, conducted by Wolfgang Sawallisch...

Opera Theatre of Saint Louis, from the US. Music by the Japanese composer Minoru Miki...

MUSIC

London Beethoven Plus is a series of concerts between September 18 and December 10...

London Philharmonic Orchestra, conducted by Sir George Solti, with Doro Merande...

London Philharmonic Orchestra, conducted by Leonard Bernstein with Rudolf Firsiroti...

London Mozart Players, Mendelssohn: A Midsummer Night's Dream, Jane Glover conducts...

Paris Itzhak Perlman (violin), with the Orchestre de Paris and Daniel Barenboim...

Paris Itzhak Perlman (violin), with the Orchestre de Paris and Daniel Barenboim...

Arts de Paris, conducted by André Guillbert...

Brussels National Orchestra of Belgium, conducted by Mendi Rodan...

Frankfurt Frankfurt Radio Orchestra, under Erich Leinsdorf...

Cologne Nicolaï Gedda (bass) recital with Giovanni Rina...

Berlin Berlin Philharmonic Orchestra, conducted by Sir Colin Davis...

Amsterdam Concertgebouw, Recital Hall: The Malos Quartet...

Rotterdam Doelen, The Muziektheater, with Major G.D. Buitendijk...

Dezso Ranki (piano), Bloch, Mozart, Schönberg...

Utrecht Utrecht Conservatory Symphony Orchestra, conducted by Kenneth Montgomery...

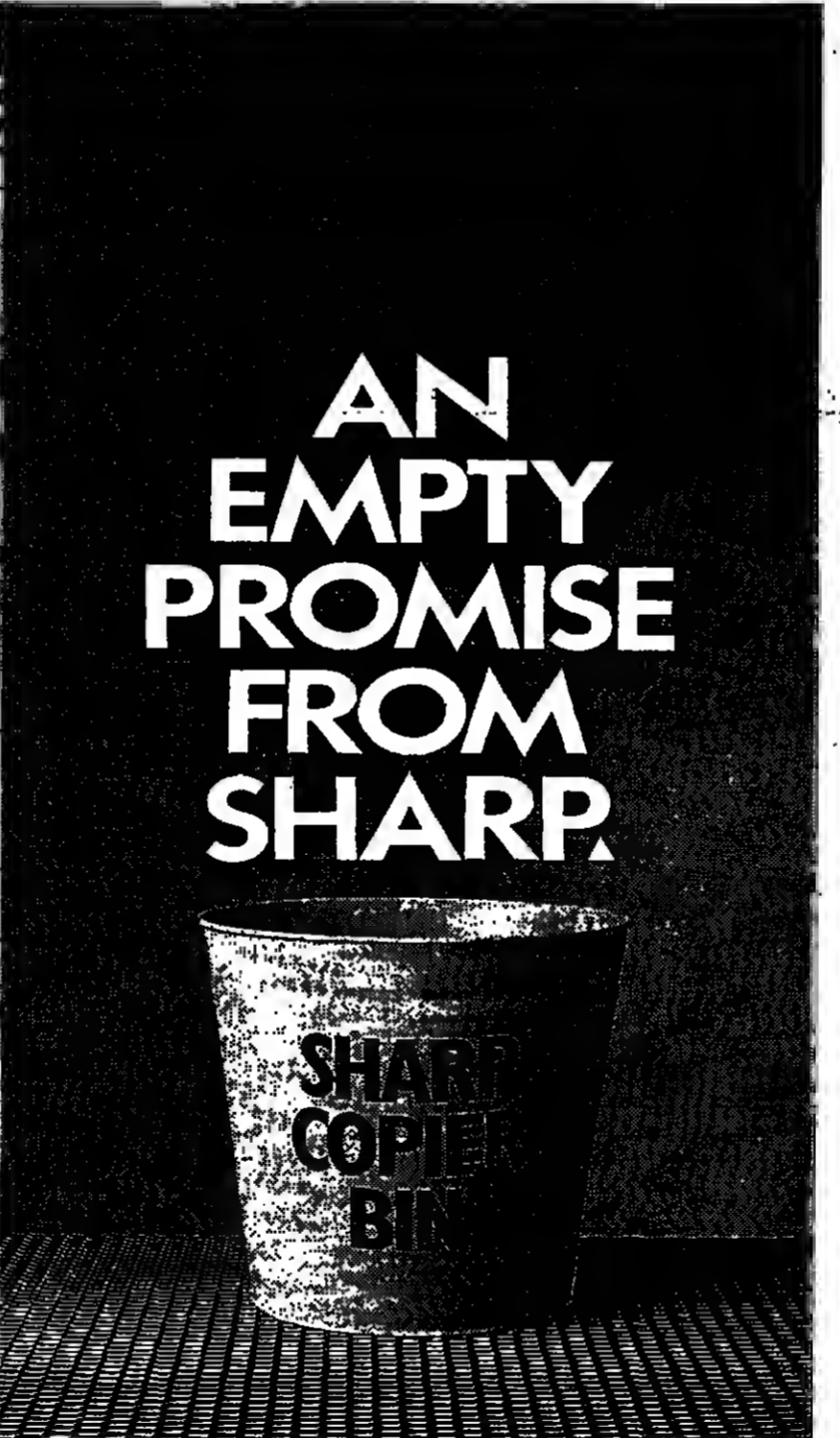
Vienna The Chamber Orchestra of Europe, conductor Claudio Abbado...

Chicago Susan Lindale, organ recital, Bach, Vianna, and Messiaen...

Tokyo Bayerisches Staatsoper, gala concert conducted by Wolfgang Sawallisch...

Berlin Hungarian National Symphony Orchestra, conducted by Gennady Rozdolvich...

Vienna Anton Bruckner, 100th anniversary, conducted by Claudio Abbado...



AN EMPTY PROMISE FROM SHARP

Advertisement for Sharp copiers, featuring text about intelligent copiers, saving on waste paper, and a list of features. Includes a Sharp copier image and a form for requesting information.

EXHIBITIONS

London The Royal Academy, Henry Moore, a full retrospective exhibition...

The National Gallery, Rembrandt: Art in the Making, a small but highly informative study exhibition...

Paris Louvre, Pavillon de Flore, Rembrandt and his school are on show in two exhibitions...

Paris Musée d'Orsay, Cézanne, Grand Palais, Vieira da Silva. After Lisbon, Paris celebrates the 80th birthday of the artist...

Paris Picasso Museum, The 17th century Etoile Salomon de La Brosse restored, provides a fitting home for the world's largest collection of Picasso's work...

Brussels Musée des Beaux-Arts, Grand Palais, Vieira da Silva. After Lisbon, Paris celebrates the 80th birthday of the artist...

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New York

Vienna Chamber Orchestra, conducted by Philippe Entsch...

Utrecht Utrecht Conservatory Symphony Orchestra, conducted by Kenneth Montgomery...

Vienna The Chamber Orchestra of Europe, conductor Claudio Abbado...

Chicago Susan Lindale, organ recital, Bach, Vianna, and Messiaen...

Tokyo Bayerisches Staatsoper, gala concert conducted by Wolfgang Sawallisch...

Berlin Hungarian National Symphony Orchestra, conducted by Gennady Rozdolvich...

Venice

Invited Curator is a retrospective of Giorgio de Chirico (1891-1978)...

Time Comparison 1988, Thirteen painters, spanning three generations...

Max Ernst (1891-1976) Collage, The exhibition shows 200 of collages from dadaist and surrealist period...

Metropolitan Museum of Art, An exhibition of architecture on paper covers four centuries of drawings...

Chicago Art Institute, Paul Gauguin, The artist's first major retrospective for 30 years...

Washington National Gallery, The largest show of Michelangelo's drawings ever mounted in the US...

Tokyo National Museum, Japanese Abstract Sculpture, Of all forms of contemporary Japanese art...

Tokyo National Museum, Japanese Abstract Sculpture, Of all forms of contemporary Japanese art...

ARTS

CINEMA

Hispanic colours pinned to the mast

How do you take the "panic" out of Hispanic? *Stand and Deliver*...

Now we have a gang-war thriller, *Colors*, and a classroom morality tale, *Stand and Deliver*...

It is the whites, ironically, who are cliché. Between the chase scenes, showdowns and

images of urban holocaust (vividly shot by cameraman Haskell Wexler)...

Stand and Deliver is *The Blackboard Jungle* gone ethnic. Writer-director Ramon Menendez takes a true story...

Well, yes: given the right context. If anyone had suggested a spot of *Advanced Calculus* to the youngsters in *Colors*...

COLORS Dennis Hopper, Michael Schiffer

STAND AND DELIVER Ramon Menendez

TAFFIN Francis Megahy, David Ambrose

THE LIGHTHORSEMEN Simon Winchester

SHOTDOWN Andrew Worsdale

LONDON FILM FESTIVAL National Film Theatre

ing can be a force for peace. And the kids, though given a small charisma injection for Hollywood packaging...

Elsewhere this week we are in the land of tech. Only a sadist would detain you long with *Taffin*...

horsemen took it with only thirty deaths and much acclaim. Director Simon Winchester stages a grand charge...

Or, abandon the commercial cinema altogether and visit the London Film Festival. Launched last night, the event swings into week one with a varied mob of movies...

"Directed by Andrei Turkovsky" (Friday 11th). More sensibility. Documentarist Michal Sleszyckiowski, a man whose surname makes *Advanced Calculus* seem easy...

12th). Mira Nair won the Cannes Camera d'Or for this first feature set in the Indian city of rags and riches. Mawkishness sometimes threatens this tale of a 10-year-old country boy living on his wits in a world of thieves, drug-dealers and prostitutes...

The *Compass* (Sunday 13th). Banned under Brezhnev, Aleksandr Askoldov's masterpiece was hailed off the shelf during the recent glasnost initiatives. The title heroine is a pregnant army officer who shares with a scarily family during the post-Revolution upheavals of the 1920s...

The LFF's first week also boasts its two annual animation sprints: best from Britain and best from the world. Britain yields to a feature film from Nicholas Broomfield, Phil Mulloy and Franco Rosso...



Richard Angas and Andrew Shaw

New Glass opera

This is a clear-cut case of an opera (or "opera") in which the burden is carried just as much by the librettist as by the composer; here respectively Doris Lessing and Philip Glass...

Fortunately that monologue goes to the baritone Andrew Shore, whose artfulness and forceful clarity as Doeg are an inestimable asset to the whole performance...

Nigel Andrews

The Love of the Nightingale

The Other Place opened in Stratford-upon-Avon in 1974 in the melancholy circumstances of Trevor Nunn's production of Ben Kingsley's Hamlet...

The doors will be closed for ever next January, and Wednesday's premiere of Timberlake Wertenbaker's new play, a modernist re-creation of the Philomela legend...

It has become increasingly difficult for the RSC to wheel a performing troupe out of the local authorities for a venue that perhaps does not conform to the highest safety standards...

Siobhan Davies

Though Siobhan Davies has not danced onstage since 1983, her work is far from dead. Most of Davies's career has been spent with her parent institution, London Contemporary Dance Theatre...

"Lyrical" is the easiest adjective to apply. Davies puts emphasis on the richly tipping upper body, which the heavily beamed legwork serves neatly to anchor. Acrobatic dance vocabulary is employed, canonical rigour avoided. In these respects, this dancing is a British counterpart to the Trisha Brown manner...

Seeing all these qualities again I admired once more their gentle authority. The voice heard in Davies's best works has the quiet power of a woman who can speak her own mind without strain or edge...

Alastair Macaulay

ARTS GUIDE

artists to live and work in France and his arrival in Paris in 1912 coincided with the first flowering of modernism...

THEATRE

Measure For Measure (Barbican). Pick of the RSC London repertoire, a gripping revival by Nicholas Hytner, strongly acted, with witty design references to Lloyds of London and the Pompidou Centre in Paris (936-8861).

Brilliant new David Hare piece for the National Theatre, a satirical and moving romance on life, love and family politics in Thatcher's Britain...

Andrew Lloyd Webber (899 2244, credit cards 379 633/240 7200). *Follies* (Shaftesbury). Barbra Streisand and Mandy Patinkin now decorate Mike Ockrent's strong revival of Sondheim's 1971 musical...

of old England by the spits and opportunities. A genuine classic (627 9989).

New York Cats (Winter Garden). Still a sell-out, Trevor Nunn's production of T.S. Eliot's children's poetry set to music is a startlingly stirring and choreographically felicitous (239 6922).

Saleroom

The art market celebrated the re-election of a Republican president on Wednesday night with the most extraordinary sale in the history of Christie's in New York...

Saleroom

The art market celebrated the re-election of a Republican president on Wednesday night with the most extraordinary sale in the history of Christie's in New York...

Advertisement for Sandeman Founders Reserve Port. Includes an illustration of a man on a horse and the text: SANDEMAN FOUNDERS RESERVE PORT NO LONGER RESERVED FOR THE ENGLISH.

Amsterdam

Stedeschouwburg. The English Shakespeare Company closes its Dutch tour of the Wars of the Roses with Henry V (Fri) and on Saturday: Henry VI, Lancasters (Sat) and York (Sun).

Saleroom

London. The art market celebrated the re-election of a Republican president on Wednesday night with the most extraordinary sale in the history of Christie's in New York...

Contemporary art booms

The art market celebrated the re-election of a Republican president on Wednesday night with the most extraordinary sale in the history of Christie's in New York. The sale included a record for any contemporary art auction...

Antony Thorncroft

IMI for building products, drink dispensers, fluid control, special engineering, refined and wrought metals. IMI pic, Birmingham, England.

FINANCIAL TIMES COMPANIES & MARKETS Friday November 11 1988

IVECO Ford TRUCK BRITAIN'S INTERNATIONAL TRUCK MANUFACTURER

INSIDE CSFB chief hits out at bid curbs. An economic iron curtain of rules, practices and attitudes hangs over Europe. Such is the claim of Jack Hennessy (left), chief executive of Credit Suisse First Boston in a strong attack on restrictions to takeovers in continental Europe, which he claims make European companies ill-equipped to tackle the competitive challenge from US and Japanese companies. The relatively small and mature national markets of Europe offered no basis for growth, he claims. Page 28

Japanese share protests show change of heart. The protests heard this week in Japan over the allocation of shares in the Mitsubishi Motors flotation have been unusually forceful. A new sensitivity appears to be emerging among Japanese investors in the wake of the four-month-old Fujiwara scandal which Nikko Securities, leading the 21-strong underwriting syndicate, is hoping that the Mitsubishi share price does not rise too much when the issue begins trading next month. Page 29

Seeds of hope for farm reforms. Recent developments in the oilseed sector of European agriculture suggest that real results are at last materialising from a series of wide-ranging reforms to EC farm policy. Sharp cuts in target prices and in the level of Community support have been automatically triggered in the last two to three months and the costs of the regime are suddenly well within budgetary bounds. Tim Dickson reports. Page 40

Daimler seeks full MBB control. Mr Edzard Reuter, chairman of West German motor conglomerate Daimler-Benz, has insisted that his company be given full management control of Messerschmitt-Bölkow-Blohm (MBB) as a condition for taking its planned 30 per cent stake in the aerospace group. Page 24

Canadian market jitters. Hopes that Canadian Prime Minister Brian Mulroney (left) and his Conservative government would move on their way to a second election victory suffered a setback earlier this week with the publication of an opinion poll showing a 12-point lead for the opposition. The stock market, hopeful of ratification of the US-Canada free trade agreement, investors became prominent sellers. David Owen examines the jittery market mood ahead of Monday's election. Page 50

Market Statistics table with columns for index, value, and change. Includes items like 10-year bond, FT-100, Nikkei, etc.

Companies in this section table listing various firms and their respective values or shares.

Chief price changes yesterday table listing stock prices and percentage changes for various companies.

Thomson-CSF is Peberreau ally

By Paul Betts in Paris. THOMSON-CSF, the French state-controlled defence and electronics group, emerged last night as the last mystery ally of Mr Georges Peberreau's stock market raid on Société Générale, France's leading privatised commercial bank. Financial sources in Paris confirmed last night that the Thomson-CSF investment funds with a capital of FF2.3bn... Mr Peberreau has already disclosed the identity of his principal partners in the SocGen raid, including Mr Francis Dalle, the former chairman of L'Oreal, Mr Gustave Leven, the chairman of Parrier, Mr Jean-Louis Descours, the chairman of the Andre shoe group, the state Caisse des dépôts et consignations, the Kishner Benson and Eagle Star.

US court delays insurance measure

By Louise Kehoe in San Francisco and Nick Bunker in London. US INSURANCE companies won a temporary injunction from the California Supreme Court in San Francisco yesterday, delaying implementation of Proposition 103, a premium-reduction measure passed by the state voters on Tuesday. Six major insurers and the Association of California Insurance Companies filed suit in the Supreme Court on Wednesday, challenging the constitutionality of the proposition, which is backed by Mr Ralph Nader, the consumer rights campaigner. If implemented, it will force insurers to reduce premiums all

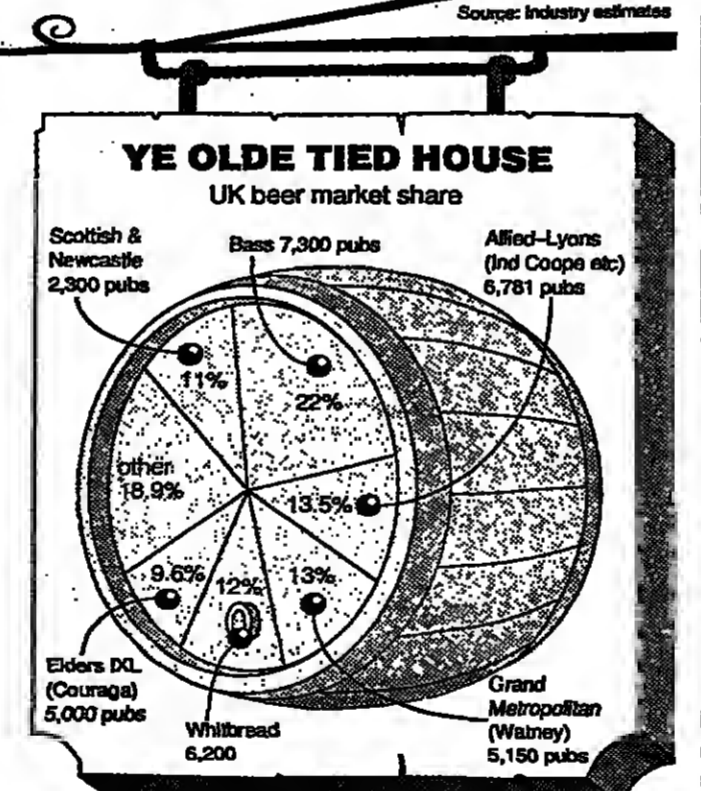
Minorco 'rebuffed Lonrho offer' for Gold Fields stake

By Kenneth Gooding in Luxembourg. LONRHO, the UK-based mining and industrial group headed by Mr Tiny Rowland, made an approach about buying Minorco's 29 per cent shareholding in Consolidated Gold Fields but was turned down. Sir Michael Edwards, chief executive of the South African-controlled investment company, said yesterday. Lonrho, however, said it had "never sought to make an offer" for stake in Gold Fields, the UK mining and construction material group. Since Minorco's £2.9bn (\$5.1bn) hostile bid for Gold Fields was referred to the UK's Monopolies and Mergers Commission in October, there had been several other approaches about the stake, Sir Michael said. He stressed that Minorco had not put the Gold Fields shareholding up for sale and the approaches were unsolicited. "But that is not the same as saying Minorco would not sell in any circumstances," Mr Rowland did not make a firm financial offer but he had said £25 a share would have listed. He added with a broad grin, Gold Fields shares yesterday closed 16p higher at 1204p. Sir Michael was speaking after Minorco's annual meeting in Luxembourg, where it is based. He said that, with Mr Tony Lea, Minorco's finance director, he had attended a 45-minute meeting for coffee with Mr Rowland on October 26, the day after the

Britain's warming beer battle is put on ice

Lisa Wood looks behind the Monopolies referral of the Elders bid for Scottish & Newcastle

When Mr John Elliott, the combative chairman of Elders DL, the Australian group, launched his £1.6bn (\$2.9bn) bid for Scottish & Newcastle Breweries, he knew there was a high risk of it being referred to Britain's Monopolies and Mergers Commission. But not because there was any major overlap between Courage's first brewery in Britain - and S&N. Rather, because the MMC was already conducting a major investigation into the vertically integrated British brewing industry where 45,200 pubs, out of a total of 82,000, are owned by established brewers. Courage and S&N have 5,000 and 2,300 tied houses respectively, and a merged business would create a block similar in size to the estate owned by Bass, the biggest UK brewer. The Director of Fair Trading, had also warned in 1985 - and never been put to the test - that there might well be a case on public interest grounds against acquisition of a regional brewer by any of the five large brewers which owned tied estates of pubs. The tie is a uniquely British system which guarantees brewers' outlets for their beers but, which they claim, protects the plethora of small brewers and their brands. Without the tie, the brewers claim, these small brands would be swallowed up by heavily advertised major brands - such as Elders' Foster's lager. Critics claim it is a price-fixing cartel and the present entrepreneurs breaking into the pub market with new brands. This year Elders started to build stakes in S&N and Greene King, a medium-sized East Anglian brewer. The City, mindful of Sir Gordon's 1985 statement, hedged its bets on whether the ambitious Australian brewer would test the MMC again. Elders, which has already put its Courage pubs into a joint venture with Hudson Conway, an Australian property group, appears confident of successfully emerging from the inquiry announced yesterday. Just how the MMC would effect the structure and operations of both S&N and Courage will emerge with the publication of the full report. However, Elders, which unashamedly calls itself a brewer, not a retailer, makes no bones about wanting to be one of Britain's biggest brewers. Ironically, it argues that its takeover of S&N would increase competition against brewers such as Bass. Philip Coggan writes: The Government's powers to refer bids to the Monopolies Commission stem from the 1973 Fair Trading Act which set out fairly broad criteria on when takeovers should be referred. That has given successive Secretaries of State considerable latitude for deciding on referrals, and caused many headaches for share traders and bid protagonists who wrongly divined intentions. This year there has been much



Wellcome profits jump to £221m

By Peter Marsh in London. MR Alfred Sheppard, chairman of Wellcome, the UK pharmaceutical company, yesterday unveiled a 31 per cent increase in pre-tax profits and said he would welcome competition from other companies which are working on AIDS medication. "If anyone else comes out with a new drug for AIDS then God bless them," said Mr Sheppard. He added that to his knowledge no other formulation to treat the disease was close to reaching the market. Wellcome is conducting clinical trials which could lead to an extension of the use of Retrovir to treat patients who have been infected with the AIDS virus, yet who have not progressed to full-blown AIDS. Such an application could increase revenues from the drug considerably. Dr Trevor Jones, Wellcome research director, said the company might be in a position

Swiss Bank Corporation Commercial Bank (Jersey) Limited Prudential-Bache Capital Funding

INTERNATIONAL COMPANIES AND FINANCE

Dresdner Bank and Allianz deny equity link plans

By Heig Simonian in Frankfurt
ALLIANZ, Europe's biggest insurance company, and Dresdner Bank, West Germany's second biggest bank, yesterday moved swiftly to deny exaggerated press reports adding weight to rumours that the two are on the brink of an equity link.

Hüls to buy Monsanto silicon unit

By Heig Simonian in Frankfurt
HÜLS, the chemicals subsidiary of Veba, the West German energy group, is continuing the gradual diversification of its sales and currency base through the planned acquisition of the silicon business of Monsanto, the US chemicals company, for an undisclosed sum.

Goodman still on takeover trail

By Dai Hayward in Wellington
GOODMAN FIELDER Wattle, the Australasian food giant, is still determined to acquire major companies in Britain and elsewhere in Europe, despite the failure of its bid for Ranks Hovis McDougall, the British baking group.

Pharmacia in SKr1.3bn leaseback

By Sara Webb in Stockholm
PHARMACIA, the Swedish biotechnology and pharmaceuticals group, has agreed to a SKr1.3bn (\$212m) sale-leaseback deal which it says will help to cover the cost of recent acquisitions and boost its research and development efforts in future.

SBC backs code on bids

By John Wicks in Zurich
SWISS BANK Corporation has backed proposals for the establishment of a US-style code of conduct for public takeover bids in Switzerland.

Reshaping for Preussag

By Our Financial Staff
PREUSSAG, the energy and metals group, plans to reorganise itself into an industrial holding group now that it has spun off its core metals refining operations into a joint venture with Societe Miniere et Metalurgique de Penarroya of France.

Equiticorp shows profit

EQUITICORP International, the New Zealand investment group which incorporates Equiticorp Holdings, reported a profit of NZ\$43.6m (US\$27.6m) for the first five months of operations up to August 31, writes Dai Hayward.

Mediobanca issue date set

THE PUBLIC offering of 13.3 per cent of Mediobanca, the Italian merchant bank, by its majority shareholders has been set for November 21 to 25, the bank confirmed.

WELLCOME RESULTS 1988

Another good year

Table with 4 columns: FINANCIAL HIGHLIGHTS, 1988 £m, 1987 £m, % increase. Rows include Turnover, Exports from the UK, Research and development expenditure, Profit before taxation, Profit attributable to shareholders, Dividends, Earnings per ordinary share, and Shareholders' funds.

*All these constitute new group records.

Mr A J Shepperd, Chairman and Chief Executive, reports:

Unfavourable exchange rates were matched by an extremely competitive environment for many of our products. We are therefore pleased to announce another year of record profits.

In 1988 our worldwide business grew well, notably in continental Europe and Japan.

Acyclovir, our anti-herpes drug, launched in 1981, and now the Group's largest selling product, showed continued strong growth, with sales up by 35 per cent to £216 million.

This is the first year that sales of zidovudine, the only antiviral treatment currently licensed for AIDS, contributed for the whole period. Total zidovudine sales amounted to £90 million.

Capital expenditure of £133 million was incurred for future support of the business and capital commitments amount to £143 million.

If you would like a copy of the Wellcome plc annual report for 1988 (available from 2nd December), please contact the Public Relations Department, Wellcome plc, The Wellcome Building, PO Box 129, 183 Euston Road, London NW1 2BF.



COMPANY NOTICES

PAROIL FUND Avis aux Participants
En conformite avec les dispositions de la loi, le Conseil d'Administration de Paroil Management Company S.A. et la Banque Depositaire ont decide de convoquer les actionnaires de la Societe pour la reunion du Conseil d'Administration du 9 novembre 1988 de meme que les actionnaires de la Paroil et de proceder a sa liquidation.

LEGAL NOTICES

MEASURES LIMITED
NOTICE IS HEREBY GIVEN, pursuant to section 43 (2) of the Insolvency Act 1985, that a meeting of the unsecured creditors of the above named company will be held at Coopers & Lybrand, 15 Old Broad Street, London EC4A 3DF, on 17 November 1988 at 11.00 am.

SOCIETE GENERALE USD 200,000,000 Subordinated Floating Rate Notes due 1994
For the six months, November 8, 1988 to May 8, 1989, the rate of interest has been fixed at 8 7/8% PA.

INDIA
The Financial Times proposes to publish this survey on: 20th December 1988. For a full editorial synopsis and advertisement details, please contact: Hugh Sutton on 01-248 8000 ext 3238.

CLUBS

Eve has outdied the others because of a policy on fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows.

INTERNATIONAL COMPANIES AND FINANCE

Shareholders may defeat Abbey Life deal

By Nick Bunker LLOYDS BANK'S plan to merge five of its financial services businesses with Abbey Life... The deal involves Lloyds merging its estate agency, finance house, life assurance, insurance broking and unit trust arm into Abbey...

Swissair expects to beat profits record

By John Wicks in Zurich SWISSAIR expects this year's net profits to be "at least as high" as the record SF7.2bn (848.7m) booked for 1987...

BT censured on Mercury calls

By Terry Dodsworth, Industrial Editor PROF Bryan Carsberg, the UK telecommunications watchdog, delivered a strong censure to British Telecom yesterday for failing to provide sufficiently reliable interconnection facilities to Mercury...

Toys R Us in pricing conflict with suppliers

By Christopher Parkes, Consumer Industries Editor THE CUT-PRICE policies of Toys R Us, the aggressive US-owned toy retailer, have drawn it into open conflict in the UK with two suppliers, Atari, the computer game company, and musical keyboard maker Yamaha-Kemble...

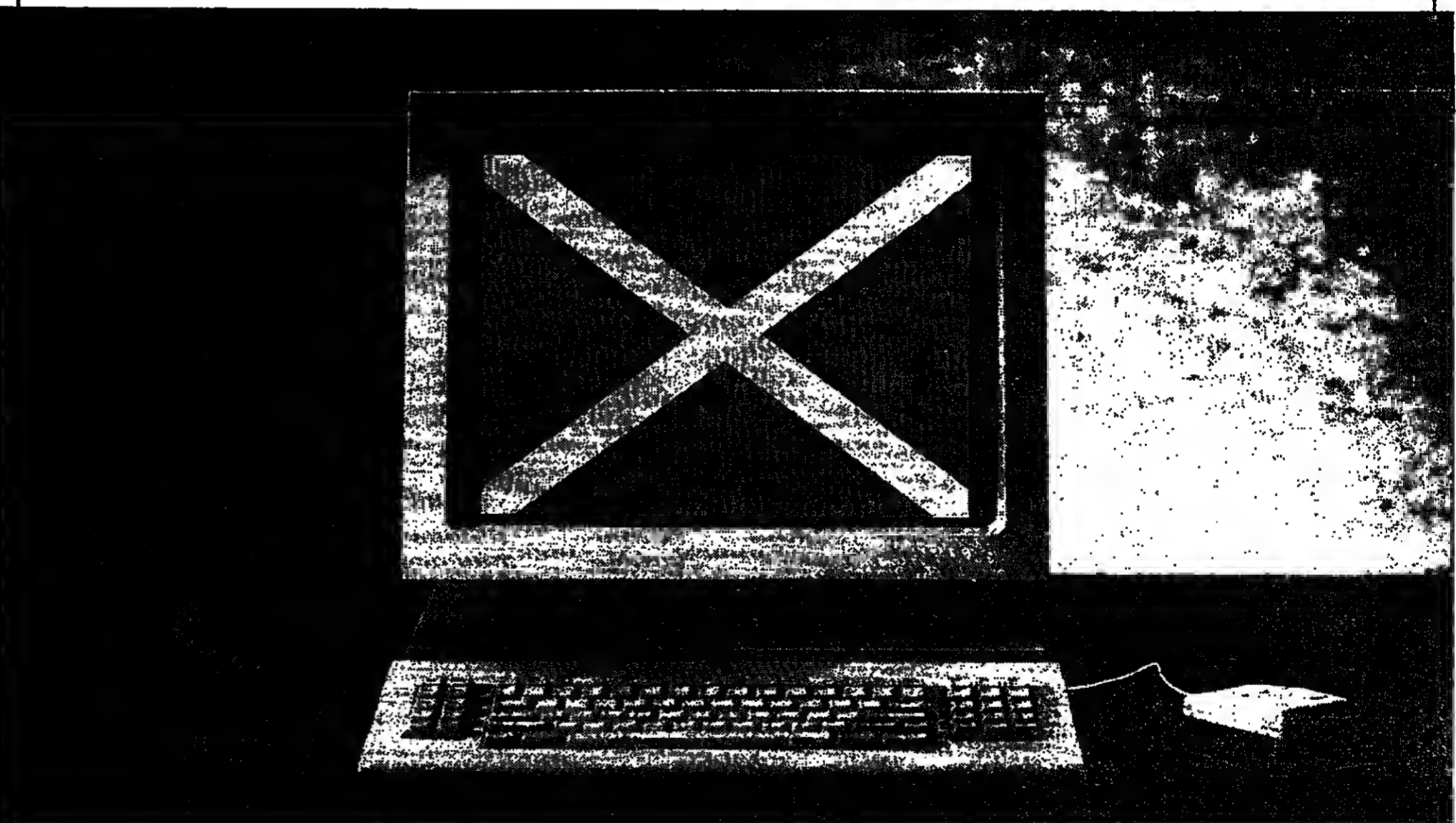
GEC wins court case against Plessey

By Terry Dodsworth, Industrial Editor, in London THE General Electric Company, Britain's premier electronics company, was awarded substantial damages against Plessey yesterday over statements made in a takeover defence document produced during their bitter bid battle three years ago...

Greenwell Montagu buys small broker

By Clive Wolman in London GREENWELL Montagu Stockbrokers, one of the securities firms owned by the Midland banking group, yesterday acquired the business of a small stockbroking firm, Robert Wigram, in a move expected to lead to about 100 redundancies...

FOR SUN MICROSYSTEMS ONE LOCATION SHONE OUT FROM THE REST.



In six years Sun Microsystems has become the world's leading supplier of workstations. Now for the first time they are setting up a manufacturing base outside the USA. Their new plant is to be built in a country with a highly developed electronics infrastructure, where companies like Compaq, IBM, Digital and Mitsubishi are already thriving...

SCOTLAND. LAND OF OPPORTUNITY.

SCOTTISH DEVELOPMENT AGENCY, HEAD OFFICE, 120 BOTHWELL STREET, GLASGOW G2 7JP



INTERNATIONAL CAPITAL MARKETS

Portuguese \$700m issue packaged as a floater

By Norma Cohen and Dominique Jackson

CREDIT SUISSE First Boston won a hotly-contested mandate for a \$700m five-year issue for Portugal, bringing it entirely as a floating-rate note, the largest the market has seen in nearly two years.

The issue will pay interest at 5 basis points over London Interbank Offered Rates, traders said, although CSFB declined to comment on the pricing.

CSFB, still syndicating the issue at the close of trading yesterday, is said to be offering firms to join in as co-lead managers by handling unusually large blocks of \$50m each.

Dealers immediately described the pricing as tight, but noted that with the recent spate of sovereign floating-rate notes that have been called for redemption, the issue may have little difficulty being placed.

Currently, demand for FRNs of sovereign borrowers is so great that no seasonal issues are offering spreads of over 100bp. For instance, the UK's existing floater yields about 85 basis points under Libor while an Italy FRN is said to be offering only 30 basis points under Libor.

Compared with those deals, Portugal's pricing could look generous.

The issue, intended to refinance existing bank credits, has been a topic of speculation for weeks, with almost every major underwriter privately conceding to have bid for it. While Portugal had not specified its desire to borrow floating-rate funds, most had expected the deal to be at least partly in the form of a FRN.

The last sovereign floater to be launched was a 10-year callable issue for Credit Foncier, the state-owned bank.

INTERNATIONAL BONDS

IBJ International took an opportunity to exploit both a fairly firm undertone to the yen bond markets and strong appetite for paper in the Euroyen sector, which has been in extremely short supply all year.

The World Bank reopened the sector with a well-received \$500m five-year issue via Yamachi International last month and yesterday's \$300m deal for Nordic Investment

Bank, whose previous debt carries a prime triple-A credit rating from both agencies, also saw good response. The issue saw steady demand as it was marketed earlier today through successive time zones starting in Hong Kong.

The lead manager said although some switching out of seasoned issues to take advantage of the yield pick-up offered by the new issue was detected, a substantial amount of new money also came into the deal. It remained within its fees all day, finishing bid at a discount of 1.55 against fees of 1%.

Credit Suisse First Boston brought the Leeds Permanent Building Society to the sterling floating-rate note market which has been buoyant recently. The strength of the sector was evidenced by the high level of demand for the 10-year deal.

In Switzerland, UBS led a \$150m 15-year deal for the province of Newfoundland, which met an enthusiastic reception.

The par issue price and psychologically attractive 5 per cent coupon added to its attraction.

CFSB chief hits at European bid curbs

By Stephen Fidler, Euromarkets Correspondent

MR JACK HENNESSY, chief executive of Credit Suisse First Boston, yesterday launched a strong attack on restrictions to takeovers in continental Europe, which he said would make European companies ill-equipped to tackle the competitive challenge from US and Japanese companies.

"There is an economic iron curtain of rules, practices and attitudes which hangs over Europe, particularly on the Continent, that makes a takeover of any major company, except in the UK, virtually an impossibility," he said.

"The Japanese and Americans had, he said, an enormous lead which they could translate into



Jack Hennessy: 'iron curtain of rules hangs over Europe'

domination of the markets both in Europe and the rest of the world. The relatively small and mature national markets of Europe offered no basis for growth.

At a conference on international mergers and acquisitions, he said takeovers were prevented too often by the hand of government.

In many countries, a "club" of industry and banks mitigated against takeovers, while corporate by-laws often prevented anything but an agreed merger. He was critical of the manipulation of share registers and the issue of separate classes of shares that deprived some shareholders of rights.

"Russia seems more serious about rationalisation than many European countries," he said.

Of \$267bn in mergers and acquisitions in the first nine months of 1988, of which \$88bn were US domestic transactions, only \$10bn involved cross-border acquisitions by European companies of others in Europe, and half of that was accounted for by Nestlé.

Mr Hennessy was highly critical of what he called timid cross-shareholdings, which he said were typically intended as a defensive move to protect a domestic market or a "feeble attempt" to discover something about a foreign market.

These he described as "carve-ups rather than open-ups".

He excluded two countries in Europe from his general criticism: the UK and Spain. Neither government was waiting for a miracle from Brussels to sort out the necessary restructuring before 1992.

While welcoming in general a proposal from Mr Peter Sutherland, the EC Commissioner, that the EC should not interfere with mergers involving companies with a combined turnover of less than Ecu1bn, he said he thought that this figure should be even higher.

Earlier, Mr Peter Peterson, chairman of the Blackstone Group, a private Wall Street firm which has been very active in US leveraged buy-outs in the US, said that a good case could be made to prevent transactions that produce excessive debt. However, there would be insurmountable practical problems in achieving this.

NEW INTERNATIONAL BOND ISSUES

Table with columns: Borrower, US DOLLARS, Amount m., Coupon %, Price, Maturity, Fees, Book runner. Includes entries for Hitachi Construction, CIBC Australia, Leeds Permanent, Swiss Francs, etc.

With equity warrants. 5 Convertible. Final terms. a) Increased from A\$75m. b) Purchase fund from 1985 retiring SF\$62.5m p.a. - average life 8.2 years. c) Put option fixed: 31/3/91 at 108 1/2 to yield 3.774%. d) SF\$50m maximum. Dual-currency. Bond redeemed at \$4.00. Exchange rate fixed SF\$1.475. Conversion price \$20.2. e) Step-up coupon: until March 1992 2%, 8% remainder. f) 1/2 over Libor. g) 5 year yen/yen interest swap rate (bid side) minus 30bp.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Table with columns: US DOLLAR STRAIGHTS, Issued, Bid, Offer, Day, Week, Yield. Includes entries for Abbey National, Amers, etc.

Table with columns: DEUTSCHE MARK STRAIGHTS, Issued, Bid, Offer, Day, Week, Yield. Includes entries for Aalen, Bors, etc.

Table with columns: CLOSING PRICES ON NOVEMBER 10, Issued, Bid, Offer, Day, Week, Yield. Includes entries for Belgium, etc.

Table with columns: OTHER STRAIGHTS, Issued, Bid, Offer, Day, Week, Yield. Includes entries for Abbey Nat, etc.

Table with columns: CONVERTIBLE BONDS, Issued, Bid, Offer, Day, Week, Yield. Includes entries for Alcoa, etc.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Cdn. \$ = Change on day. Gen. disc. = First date of conversion into shares. Cw. price = Nominal amount of bond per share expressed as percentage of share at conversion rate fixed by issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

This announcement appears as a matter of record only

October 1988



First Leisure Corporation PLC

£60,000,000 Multiple-Option Facility

Arranged by National Westminster Bank PLC

Underwritten by Bayerische Hypotheken- und Wechsel-Bank AG, National Westminster Bank PLC, Rabobank Nederland, London Branch

Barclays Bank PLC, Den Danske Bank, The Sanwa Bank, Limited, Crédit du Nord, London Branch, Kansallis Banking Group, The Sumitomo Bank, Limited

Additional Tender Panel Members: Banco di Napoli, Commerzbank Aktiengesellschaft, London Branch, Credit Suisse, Istituto Bancario San Paolo di Torino, London Branch, Lazard Brothers & Co., Limited, Morgan Grenfell & Co. Limited, Samuel Montagu & Co. Limited

Legal Advisers: Allen & Overy, Painsner & Co.

Agent Bank National Westminster Bank PLC

NatWest Syndications

New Issue. This announcement appears as a matter of record only. November 11, 1988



Australian Industry Development Corporation

DM 200,000,000 6 1/2% Deutsche Mark Bearer Bonds 1988/1993

Payment of principal and interest guaranteed by the Commonwealth of Australia

Issue Price: 101 1/2% - Interest: 6 1/2% p.a., payable annually in arrears on August 11, 1996 at par - Denomination: DM 1,000 and DM 10,000 - Security: Payment of principal and interest guaranteed by the Commonwealth of Australia, Negative Pledge of the issuer - Listing: Frankfurt Stock Exchange

Table listing various banks and financial institutions: AMRO HANDELSBANK, BANQUE BRUXELLES LAMBERT S.A., BANQUE INTERNATIONALE A LUXEMBOURG S.A., etc.

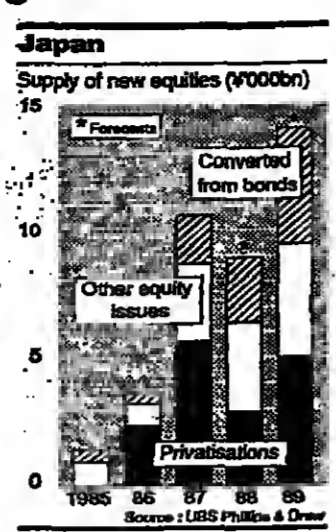
LKB Baden-Württemberg Finance N.V. DM 600,000,000 Floating Rate Notes with Interest Option 1988/1995. Interest Rate: 5 1/2% to 1988 to 1989 to 1993 to 1989. Interest Period: Nov 10th, 1988 to Nov 10th, 1989. Interest Amount per DM 100,000: DM 254.53 per DM 100,000, DM 2,545.31 per DM 100,000. Payable on: May 10th, 1989. Trübner & Burkhardt KGaA Agent Bank

INTERNATIONAL CAPITAL MARKETS

Tokyo share row touches sensitive nerve
Gordon Cramb on the lessons being learnt from the big Mitsubishi Motor issue

A new sensitivity is emerging among Japanese investors to judge by the protests heard this week from those not smitten on by the underwritten issue of the Y89.8bn (\$482m) flotation for Mitsubishi Motors.

scandal involving expedient share allotments, which has focused attention in Japan on who stands to gain when a company is brought to market.



price we chose was appropriate. The size of the issue has meant that Nikko is working under unusually tight requirements, which include:

authorities have taken the view that double the going rate is a fair benchmark for an immediate quotation on the market.

per cent rate implies seems hardly designed to encourage underwriters towards a more relaxed abeyance of their new issues.

Treasuries in doldrums as dollar remains weak

By Janet Bush in New York and Norma Cohen in London

US TREASURY bonds continued to come under pressure because of the weakness of the dollar which counterbalanced any potential positive reaction for a better than expected set of producer prices figures released yesterday.

even more worrying in terms of attracting foreign capital inflows.

GOVERNMENT BONDS

conflicting influences on bonds. A potential positive was the fact that the producer prices index was unchanged in October against expectations of a 0.2 per cent rise.

SHORT-TERM rates on Australian government securities rose sharply as the Reserve Bank raised its key rediscount rate for the second day running.

edged up slightly, underpinned by two newly released political polls showing the pro-free trade Conservative Party recouping ground lost to the opposition Liberal Party.

JAPANESE government bond prices moved up in Tokyo yesterday, buoyed by the early strength of the yen against the dollar.

Japanese banks sell house debt

JAPANESE banks have started selling housing loans in order to trim risk assets and help meet the capital adequacy standards proposed by the Bank for International Settlements, Reuters reports.

CME to provide service to rival vendors

THE Chicago Mercantile Exchange and Reuters will not prevent rival vendors of financial information from receiving up-to-the-minute price transaction data via Globex, their proposed global "after hours" electronic trading system, Mr Leo Melamed of the CME said yesterday.

board, told a conference in London that other vendors would be given access to Globex price information.

utures and options, but that it represented the only realistic way forward for the derivatives markets.

partners in the Globex project. The discussions had all been constructive and Mr Melamed said he hoped to be able to announce some concrete developments in this area soon.

CANADIAN government bonds

The three-year and 10-year note auctions which both saw slightly stronger demand than expected and yesterday's sale of cash management bills were also potentially positive.

BENCHMARK GOVERNMENT BONDS

Table with columns: Coupon, Red Date, Price, Change, Yield, Week ago, Month ago. Rows include UK GILTS, US TREASURY, JAPAN, GERMANY, FRANCE, CANADA, NETHERLANDS, AUSTRALIA.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices for Thursday November 10 1988, listing various equity groups and sub-sections with their respective index values and changes.

FIXED INTEREST

Table of Fixed Interest rates, including British Government, Medium Corporates, and Inflation-linked rates.

RISES AND FALLS YESTERDAY

Table showing rises and falls in various market categories like British Funds, Corporate Bonds, and Industrial Shares.

LONDON RECENT ISSUES

Summary of recent issues in the London market, including new issues and placements.

FIXED INTEREST STOCKS

Table of Fixed Interest Stocks with columns for Name, Amount, Latest Date, High, Low, and Closing Price.

RIGHTS OFFERS

Table of Rights Offers with columns for Name, Amount, Latest Date, High, Low, and Closing Price.

TRADITIONAL OPTIONS

Table of Traditional Options with columns for Name, Amount, Latest Date, High, Low, and Closing Price.

LONDON TRADED OPTIONS

Large table of London Traded Options, categorized by CALLS and PUTS, with columns for Option Name, Jan, Apr, Jul, and Oct prices.

Financial Times, November 11 1988. Includes publication details and contact information for the FT Actuarial Indices.

UK COMPANY NEWS

Electrocomponents near to £23m at midway stage

By Andrew Hill

FOR THE half year to September 30, Electrocomponents, the distributor of electrical and electronic components, announced a 12 per cent increase in pre-tax profits from £20.5m to £22.5m.

with small electrical goods and light fittings. Earnings per share advanced from 6.42p to 7.2p and the interim dividend is 1.47p (1.27p).

Mr Chubb said he was particularly pleased with the performance of RS Components, the component distribution arm, which accounts for between 70 and 80 per cent of group business.

He said two acquisitions last year had led to substantial increases in sales at the retail companies, which supply high street and do-it-yourself stores

Tootal expands US specialist interests

By Alice Rawsthorn

TOOTAL, one of the largest UK textile groups, is expanding its international specialised textile interests through the acquisition of Fibertaxis, a US manufacturer of filtration products, for \$8m (£5m).

Tootal has already acted to strengthen Lantor's US distribution network. The acquisition of Fibertaxis provides a production plant, in Boston, and an entrée into filtration products. The business has been bought from the JB Group, a privately-owned US industrial textile company.

Bank of Ireland up by 36%

By David Lascelles, Banking Editor

THE BANK of Ireland, one of the two leading Irish banks, made a profit of £180.7m (£88.4m) before tax and exceptional items in the six months ending September 30, an increase of 36 per cent.

rights issue, earnings per share were 14.9p, down from 16.4p. This also reflects the full two-year £33m cost of a new competitiveness programme.

Baker Harris purchase

BAKER Harris Saunders, the first chartered surveyors to seek a market quotation, is making its third and largest acquisition since listing with an agreed bid for Richard Sykes and Partners of New York.

ket. The cash element is £1.62m. But Sykes will also receive 828,538 new Baker Harris ordinary shares, valued at 245p each, or 5p more than the market price just before the merger announcement.

British Vita £3.5m purchase

BRITISH Vita, manufacturer of polymeric products and supplier of polyurethane foam, is acquiring Rossendale Composites (Holdings), which operates in the commission laminating field, primarily for the footwear industry. Total consideration is £3.5m, to be satisfied by the issue of 1.6m British Vita ordinary and the balance in cash. Rossendale is based in Lancashire and has a turnover of about £5m.

External Trust assets fall

EXTERNAL Investment Trust saw net asset value fall to 765.6p at September 30, compared with 961.5p a year earlier and 826.1p at March 31. Net revenue for the six months to the end of September was £891,142, against £942,025. Earnings per £1 share slipped to 13.49p (14.39p) and the interim dividend is lifted to 10p (9p).

Dukeminster £24.5m buy

DUKEMINSTER, a property investor and trader mainly in the office, retail and industrial sectors, has exchanged contracts for the purchase of the freehold of the Priory shopping centre, at Dartford, Kent, for £24.5m in cash.

purchase relative to its existing investment portfolio, Dukeminster, which obtained a listing last July, intends to enter into arrangements whereby certain investors will acquire interests in the property. Dukeminster intends to retain a significant minority interest in the centre and will be responsible for its management.

EMC raising £680,000

ELECTRONIC Machine Company is raising £680,000 through a rights issue to finance an acquisition and raise further working capital.

The rights issue comprises 1,237,474 shares at 56p each on a one-for-two basis. It has been underwritten by McCaughan Dyson Capel Cure except for some 23 per cent being taken up by directors and their families.

H Young £1m placing

H YOUNG Holdings, a financial services and distribution group, is to raise £1m via a placing of 650,000 shares with investment clients of Bove and Pitman and Anderson and Co.

modation at its freehold Hungerford site, and the balance to fit out the warehouse at its Colnbrook site. The additional Hungerford capacity will be used for the expansion of Young Automotive and to accommodate the recently-acquired Kamasa Tools. The Colnbrook site will be used by Young Optical and Young Ges.

NOTICE OF NOTEHOLDERS OPTIONAL REDEMPTION U.S. \$50,000,000 Banamex Banco Nacional de México, S.N.C. (the "Bank")

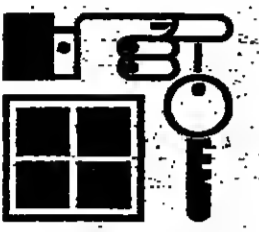
THIRD QUARTER RESULTS SHOW BP ON THE RIGHT TACK. Although the group had to contend with a stormy economic environment in the first three quarters of this year, BP continued with its policy of creating value for shareholders.

BP Britain at its best. The Miller Field development to the North of Scotland Hydro-Electric Board. Further afield, BP has announced the acquisition of a refinery and chain of retail outlets on the West Coast of the United States.

NOTICE to the holders of the outstanding U.S.\$100,000,000 Floating Rate Notes Due 2016 (the "Notes") of TSB Hill Samuel Bank Holding Company plc

ices 14m... rents £10m... Pic... ited... mited

FINANCIAL TIMES SURVEY



Though growth in the number of UK parks has slowed, existing ones are having marked success in

attracting tenants. At home and abroad, start-up companies still predominate, but industrial giants are starting to take the concept seriously. Clive Cookson reports

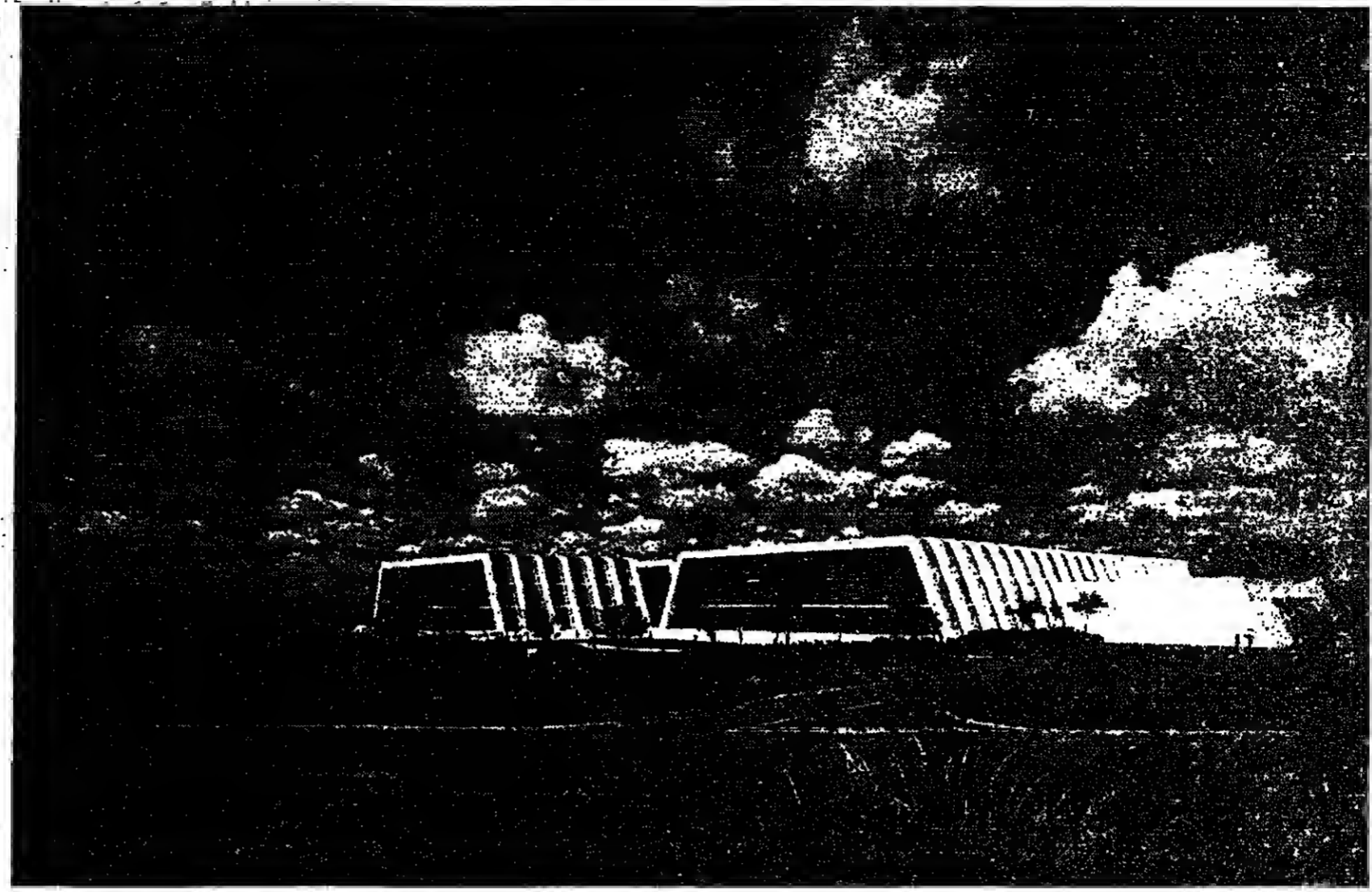
On a strong upward curve

ANYONE DRIVING around the UK is now almost bound to come across the characteristic signs of a science park: a nameboard on which the word "Technology" features prominently, leading into a closely mown landscape of rolling hills, lakes, instant trees and fashionably "hi tec" buildings with post-modernist flourishes. But the signs may deceive. According to a survey in the science park movement, many so-called science and technology parks are merely upmarket business developments trying to take advantage of the successful associations of the real thing.

The purity tests set by the UK Science Park Association (UKSPA) require a science park to have "formal and operational links with a... higher education institution or major centre of research" - be "designed to encourage the formation and growth of knowledge based businesses" and have "a management function which is actively engaged in the transfer of technology and business skills to the organisations on site".

There is now doubt, however, that science parks - both the genuine ones and the commercial imitations - are one of the fastest growing sectors of a buoyant property market. The first two UK parks, at Heriot-Watt (Edinburgh) and Cambridge, were started in 1972. There was then an interval of ten years before the main wave of science park

building got under way. Britain had 16 parks in business by the end of 1984 and 26 by 1988. According to UKSPA, 38 true science parks are now in operation, with at least nine more being planned. There are no accurate figures for the number of business parks which do not fit the strict UKSPA criteria but market themselves as a location for high technology companies. They probably outnumber the true science parks and are growing at least as fast.



Cambridge Science Park: England's first. There are now 38 science parks in operation in the UK and at least 9 more are planned

Science Parks

will have 1,000 tenants (with more than 10,000 staff) by the end of 1989. "We're still a long way from any limit to growth," Mr Rimmer says. "We're on a very strong upward curve and we see no sign that we're reaching a plateau."

The idea of the science park originated in the US and the three most successful examples in the world are American: Stanford Research Park in California (the heart of Silicon Valley), Route 128 in Massachusetts, and Research Triangle in North Carolina. But even the US had no more than a dozen true science parks before 1980, according to Mr Ian Dalton who runs Heriot-Watt Research Park in an expert on the American scene. There are now almost 150 US science parks. This great expansion has occurred without guidance from any central body like UKSPA.

In Europe, the EC is trying to encourage the development of science parks and their tenant companies through programmes and organisations such as Sprint, TII (Technology, Innovation, Information) and the European Business Network. But many science park managers believe that some of the EC's efforts are wasted because there is needless duplication of effort through overlapping activities.

France has Europe's grandest vision of what a science park should be. Local authorities, particularly in the South-East of France, are developing large-scale technology parks which have more in common with, say, Research Triangle Park in the US than with Cambridge Science Park in England. The largest French park, Sophia Antipolis near Nice, has 200 small companies

and 160 large corporations employing 7,000 people - almost as many as all the UKSPA parks in Britain put together. But Sophia Antipolis does not help its smaller tenants with technology transfer and business skills to the extent that would be expected of a UK science park, nor does it have very close links with the University of Nice.

West Germany has a strong science park movement, guided by the Arbeitsgemeinschaft Deutscher Technologie-und-Gründerzentren (ADT). Several parks have also been established in Italy, Belgium and the Netherlands. Outside the EC, Sweden has recently had notable success in establishing science parks.

The first survey of science parks in the Asia Pacific Region has just been completed by Mr Barry Orr, director of Technology Park Adelaide in South Australia. It shows that eight countries (Australia, Japan, Korea, Malaysia, New Zealand, Singapore, Taiwan and the People's Republic of China) have about 30 parks, all but two of them set up since 1984.

Of course there are considerable national differences between the types of science park in the region. Some of those in Australia and New Zealand are close to the UK model - small parks linked to universities or research institutions and housing a reasonable number of science-based start-up companies.

But the survey also shows that a new type of concept is emerging in Australia: the "technology precinct". This is a long-term planning approach in which a geographic area is designated as a technology precinct, usually close to a university.

Various government policies, including planning regulations and financial incentives, are then applied to attract a particular category of high technology industry to the precinct. This approach may or may not include the development of a specialised science park infrastructure. The state government of Victoria is considering a plan to set up six technology precincts and Western Australia is also exploring the concept.

At the other extreme are the "science towons" typical of China and Korea. These are huge up-market industrial estates, sometimes covering thousands of acres, which usually specialise in computer and electronics research and manufacturing. In Japan the preferred model is the "technopolis", a large-scale development combining industrial and academic research

Another important development for the UK science parks movement is the shift of emphasis from public to private funding. Most parks so far have been financed by public bodies such as the Scottish and Welsh Development Agencies, English Estates and local authorities, in partnership with educational institutions. But the changing political and financial climate means that the next wave of expansion will have to be privately funded. Aston Science Park is a good example. All its development funding so far has come from Birmingham City Council (with some help from government grants) but the park's management company has decided to seek up to £20m from a bank for future expansion.

Some critics of UK science parks say that their prosperity depends too much on the growth of start-up companies - putting it another way, that large British companies in high technology industries such as pharmaceuticals and computers have shown less interest in science parks than their counterparts overseas. Recently, however, there have been encouraging signs that some UK industrial giants are taking science parks seriously.

FINANCE

Anger at risk capital gap

MATCHING a bright idea with enough money to set it rolling as a business is not a quick, easy process at the best of times. Few venture capitalists, though, consider backing highly technical ideas - especially those had by academics - to be anywhere near the best of times. Advances Technology Trust (Hatt), a publicly quoted investment group specialising in high-technology investment.

The fund, Hatt Science Park Investments, is operated in conjunction with the UK Science Park Association and has already committed most of the £1m set aside for its first year on five projects. The most recent of these was a £180,000 equity investment in a small laser company on the Hull park.

Mr Richard Porter, the Pest Marwick Mitchell partner who led the firm's science park survey, says he found "virulent" feeling among companies about the lack of interest which venture capital groups take in the sector. "Many felt that 'venture' capital is a bit of a misnomer," he says. Risk financiers, for their part, say that while business plans for nascent science park companies usually take as much time and care to assess as any others, such groups need smaller start-up sums and thus will, at first, offer smaller absolute returns.

Furthermore, companies spawned from academe often require the venturing capitalist to make a larger, more costly investment in managerial and marketing expertise early on. The picture of the bottle with a bright idea but no commercial bent, many investors confirm, is not wholly a caricature. Bridging the finance gap has



As Scotland's most successful business location East Kilbride knows a thing or two about creating working environments perfectly suited to the needs of dynamic technology-based companies. That's why we're home to more top US and Japanese companies (JVC, Avex and Motorola for example) than any other location in Scotland. Peel Park is our newest and most prestigious location. It offers a range of hi-technology facilities and fully serviced sites (up to 25 acres) in arguably some of the most beautiful countryside in Scotland. With easy access to the Renaissance city of Glasgow, and direct links with the UK's communications network. So when you locate in Peel Park you get one of the most efficient and pleasing working environments anywhere. And what's more, we'll throw in Loch Lomond for free. For full details on all the opportunities for you and your company in Peel Park please clip the coupon or CALL FREE ON 0800 833 139. For a copy of "The Logical Choice" and "The Peel Park Portfolio" write to: The Marketing Department, East Kilbride Development Corporation, Atholl House, East Kilbride G74 1LU.

NAME _____ ADDRESS _____ TELEPHONE _____ COMPANY _____ POSTCODE _____ EAST KILBRIDE

Continued on page 2

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abbey Management Ltd, and others, including their respective managers and details.

Table listing unit trusts under the heading 'Raffie Gifford & Co Ltd', including details like 'Canada Life Unit Trust' and 'Fidelity Investment Services'.

Table listing unit trusts under the heading 'Fidelity Investment Services Ltd', including 'Fidelity Investment Services Ltd' and 'Fidelity Investment Services Ltd'.

Table listing unit trusts under the heading 'M & S Securities (1985) Ltd', including 'M & S Securities (1985) Ltd' and 'M & S Securities (1985) Ltd'.

Table listing unit trusts under the heading 'Royal Bank of Canada Funds', including 'Royal Bank of Canada Funds' and 'Royal Bank of Canada Funds'.

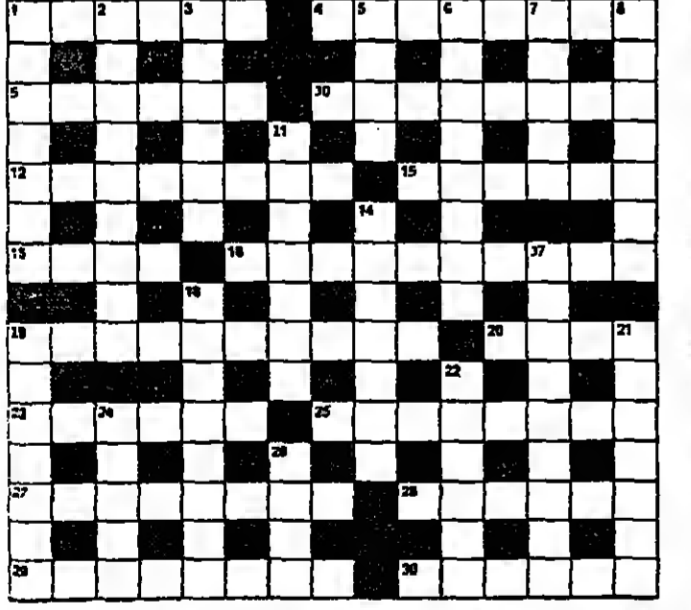
Table listing unit trusts under the heading 'Royal Bank of Canada Funds', including 'Royal Bank of Canada Funds' and 'Royal Bank of Canada Funds'.

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CROSSWORD

No. 6,783 Set by VIXEN



- ACROSS
1 Home where there's tea allowed (6)
2 Settles down and produces original work (8)
3 Standing for sixty minutes (8)
4 She has to cut everything back (5)
5 Study the way a worker gets on (8)
6 Saving for the month-end rent (8)
7 Put down money to be of some assistance (4)
8 Note a boy should appear in black at the appropriate time (10)
9 The new man is there to organise a fighting force (3,7)
10 A river in flood eroding its banks (4)
11 Crossing place for game (6)
12 Carol accepts pearls in general, though showing disdain (8)
13 About six get notice maybe, so removal's arranged (8)
14 Put in order and pay the bill (6)
15 Anger due to change - only minor (3,3)
16 Pile follows a good man and suffers for it (6)
17 This may well affect prior plans for the disposal of property (7)
18 Casting ascribed entering a foreign country (5)
19 Picks some of the best celebrity ever raised (6)

- DOWN
5 Monster duck, almost entirely grey (4)
6 A liking for bird-song (8)
7 Step caused by chaotic mails (5)
8 Surprise beginning to French article (7)
9 In time accepting one as caretaker (7)
10 The heart of a continental city church (7)
11 Game to manufacture third-rate china? (9)
12 The guard's ill-behaved offspring (8)
13 Letter from Greece enclosing powerful picture (7)
14 Fail to take the right way out (7)
15 Stop gunmen turning on others (8)
16 The first person involving 15 across in highly esteemed work (5)
17 Tall pine (4)

Solution to Puzzle No.6,782



GUIDE TO UNIT TRUST PRICING

INITIAL CHARGES
These represent the marketing, administrative and other costs which have to be paid by new investors. These charges are included in the price when the customer buys units.

OFFER PRICE
The price at which units may be bought. The price at which units may be sold. The maximum spread between the offer and bid price is determined by a formula laid down by the government.

UNIT TRUST PRICING
The letter 'A' denotes that the managers will deal on a historic price basis. This means that the bid price is normally set at a discount to the offer price.



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FT UNIT TRUST INFORMATION SERVICE

Main table containing financial data for various unit trusts, including columns for Name, Type, and other financial metrics. Includes sub-sections like 'INSURANCES' and 'OTHER UK UNIT TRUSTS'.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sections for various insurance companies and investment funds.

MANAGEMENT SERVICES

David M. Aaroe (Personal Fin. Plans) Ltd... The Analyst Group PLC... J. D. Ward Financial Services Ltd...

OFFSHORE AND OVERSEAS

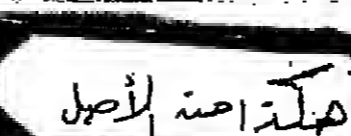
UK LISTED... Alistair Federated Unit Funds (Ltd) SA... J. D. Ward Financial Services Ltd...

UK LISTED

Table listing UK listed unit trusts with columns for Name, Price, Yield, and other details.

OFFSHORE INSURANCES

Table listing offshore insurance providers and their services.



FT UNIT TRUST INFORMATION SERVICE

Table listing various unit trusts with columns for Name, NAV, and other financial metrics. Includes sections for 'Other Offshore Funds' and 'Money Market Bank Accounts'.

LONDON SHARE SERVICE

Table listing British Funds, Foreign Bonds & Rails, and American stocks. Includes sub-sections for 'British Funds - Contd', 'INT. BANK AND O'SEAS GOVT STERLING ISSUES', 'CORPORATION BONDS', 'COMMONWEALTH & AFRICAN BONDS', and 'LOANS'.

Table listing Money Market Trust Funds and Money Market Bank Accounts. Includes detailed information on various financial products and their performance.

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Nervous tone depresses dollar

THE DOLLAR continued to lose ground in currency markets yesterday. Trading patterns were a little confused and difficult to interpret. Volume was down ahead of today's closure of most financial centres in the US, and many traders had been expecting the dollar to improve on profit taking and position squaring ahead of the long weekend.

replenish dollar portfolios. However, the extent of the dollar's decline was limited by the threat of central bank intervention. While support for the US unit has been confined to intervention by the US Fed and the Bank of Japan, investors are unwilling to be caught by co-ordinated G7 intervention, in the same way as they were at the beginning of the year.

The dollar closed at a five month low of DM1.7675 against the D-Mark, compared with DM1.7805 on Wednesday, and was lower against the Swiss franc at SF1.4770 from SF1.4810. Elsewhere, it finished at FF8.0075 from FF8.0150. On Bank of England figures, the dollar exchange rate index fell from 94.8 to 94.5. Sterling was confined to a very narrow range. Overseas investors remained attracted by the high rate of return on sterling denominated deposits, but with attention tending to focus on the dollar, sterling failed to make any real headway. Its exchange rate index

FINANCIAL FUTURES

Prices slightly firmer

US TREASURY bond futures rallied yesterday in spite of a weak dollar. News that October US producer prices were unchanged, after a rise of 0.4 p.c. in September, helped sentiment. The market had been expecting a rise of 0.3 p.c.

ing futures now moving into March delivery. There were no fresh factors with the market waiting for next week's UK figures on producer prices, retail sales, money supply and bank lending. The upward trend in prices of short sterling and long gilt contracts was largely a move in sympathy with US bonds.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Bid, Ask, and various contract specifications for European options.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit Rates for various currencies like Deutsche Mark, French Franc, etc.

STERLING INDEX

Table showing Sterling Index values for different time periods and currencies.

CURRENCY RATES

Table showing various currency rates including Dollar Spot, Dollar Forward, and other international rates.

POUND SPOT-FORWARD AGAINST THE POUND

Table showing Pound Spot-Forward rates against the pound for various currencies.

LONDON (LIFED)

Table showing London (LIFED) market data for various financial instruments.

CHICAGO

Table showing Chicago market data for various financial instruments.

BASE LENDING RATES

Table showing Base Lending Rates for various banks and financial institutions.

CURRENCY MOVEMENTS

Table showing Currency Movements for various currencies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-Currency Interest Rates for various currencies.

EXCHANGE CROSS RATES

Table showing Exchange Cross Rates for various currencies.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates for various currencies.

OTHER CURRENCIES

Table showing Other Currencies rates for various international currencies.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates for various currencies.

MONEY RATES

Table showing Money Rates for various financial instruments.

LONDON MONEY RATES

Table showing London Money Rates for various financial instruments.

MONEY MARKETS

Ample credit supply

LACK OF new economic factors left dealers in London to do but watch currencies, in very quiet trading on the London money market yesterday. The dollar is causing as much concern as sterling at present. The US currency has fallen sharply since Tuesday's US Presidential election, and came under further pressure yesterday, prompting suggestions that the Federal Reserve might soon be prompted into raising interest rates.

Day-to-day credit conditions were comfortable in London. The Bank of England initially forecast a money market shortage of £100m, but revised this to £150m at noon, and to a flat position in the afternoon. The authorities did not give any assistance to the market. Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills drained £286m, with a rise in the note circulation absorbing £36m. These factors were offset by Exchange transactions adding £220m to liquidity, and bank balances above target of £25m.

In Frankfurt call money fell to 4.55 p.c. from 4.70 p.c. as liquidity remained ample for the needs of the market. The Bundesbank has drained DM2.3bn from the market this week, by not fully replacing an expiring securities repurchase agreement, but this has been more than made up for by other factors. Christmas bonus payments are swelling bank accounts, and banks are able to take advantage of increased borrowing facilities this month under higher Bundesbank rediscount quotas.

STERLING

Sterling has gained about 2 1/2 cents since the US election, and has been reasonably successful in hanging on to the coat tails of the strong D-Mark. Dealers in London see no immediate reason for any change in US interest rates, although the risk of higher base rates remains in the background if economic news disappoints. The market is looking for evidence that the rise in rates during the summer has slowed monetary expansion. Therefore a major test of confidence is likely to come next Friday, with publication of the October money supply and bank lending figures. Three-month sterling interbank was unchanged at 12 1/4 p.c. yesterday.

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Advertisement for Private Health Care, featuring the FT logo and text about financial times conferences and health care services.

LONDON STOCK EXCHANGE

No lifting of the gloom in equities

THE UK stock market remained in a state of indecision yesterday as the cloud overshadowing the US dollar distillations...

Account Opening Dates: The following dates show the closing dates for account opening...

the Scottish-based brewer, to the UK Monopolies and Mergers Commission, while touching off a bout of fireworks...

The concerns over domestic retail spending touched off recently by the Marks & Spencer trading statement were not reduced by news of a hefty fall in interim profit at Storehouse.

On the disclosure that IEP Securities, the Sir Ron Bradley vehicle, had sold its 8.75 per cent stake, shares in Ratcliffe (Great Bridge) added 1 to 95 1/2 p...

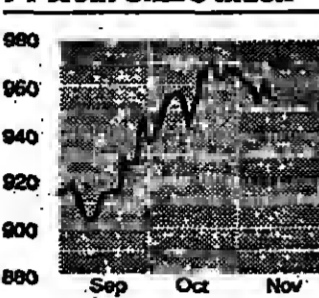
FINANCIAL TIMES STOCK INDICES

Table with 4 columns: Index Name, Nov 9, Nov 8, Nov 7, Nov 6, and High/Low. Includes Government Secs, Fixed Interest, Ordinary, Gold Mines, and S.E. Activity.

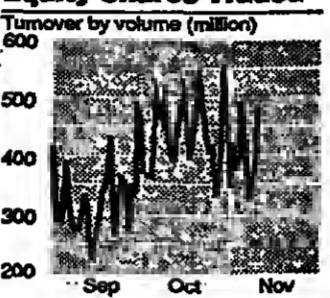
Confusion after bid referral

Activity in Scottish & Newcastle expanded to the extraordinarily large figure of 70m shares amid considerable confusion both before and after the mono...

FT-A All-Share Index



Equity Shares Traded



The index finally exchanged on the day. Seaq volume of 586.7m shares remained fairly high, comparing with 522.5m on Wednesday...

Accounting method for the drug and trials programme, the drug is either making only small profits or is costing Wellcome money...

support kept the shares steady around 175 1/2 p. On the disclosure that IEP Securities, the Sir Ron Bradley vehicle, had sold its 8.75 per cent stake, shares in Ratcliffe...

Food stocks featured speculative talk in Bejam, the subject of a bid from Ireland Frozen Foods. Bejam shares rose 3 to 202 1/2 p...

TRADING VOLUME IN MAJOR STOCKS

Table with columns: Stock, Volume, Change, and Price. Lists various stocks like BHP, ICI, and BT.

the spotlight as speculation resurfaced of an impending bid or management buy-out. The shares rose 13 to 376 1/2 p.

caught marketmakers out and the shares raced higher as they attempted to square their positions. Some directors have recently increased their shareholdings...

up of 30,044 calls and 21,384 puts, as activity was generated in several individual stocks, some of which have been involved in bid talk...

Welcome potential

Wellcome announced results which pleased the market and the shares rose 12 to 407 1/2 p. Within minutes of the close...

Leap at LEP

LEP Group rose strongly after announcing the launch of a revolutionary blood analysis machine which is expected to have a major impact on the diagnostic industry...

NEW HIGHS AND LOWS FOR 1988

Table listing company names and their share prices for 1988.

APPOINTMENTS

- Mr J.J. Searwards has been appointed production director of IMI YORKSHIRE ALLOYS, Leeds, an IMI subsidiary...

Hill Samuel Bank posts

- Appointed to the board of HILL SAMUEL BANK, Mr L. W. Fisher, chief executive, TSB England & Wales...

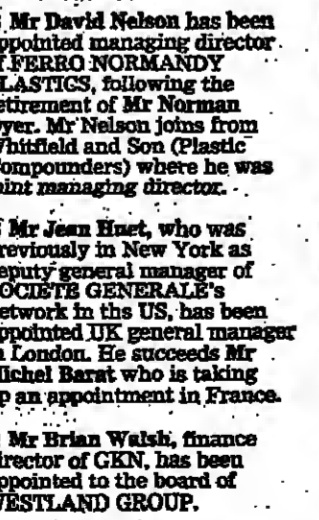
Mr J. Christopher Wetheran has been appointed MIDLAND group strategy director...

Mr Norman Lessels has been appointed a non-executive director of GENERAL SURETY & GUARANTEE CO...

Mr J.M. Gibsald has been appointed a non-executive director of R. GRIGGS & CO.



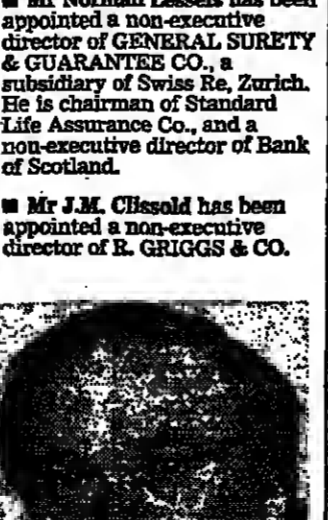
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Advertisement for THE BANKER, featuring a large '1000' graphic and text: 'What does 1992 really mean to you in the financial markets? Are you confused by the 1000's of mainly incomprehensible words written about the progress towards a single European market?'

Table titled '1992: THE KEY DIRECTIVE' containing financial data and company information.

Advertisement for THE BANKER, stating 'AT LAST HELP IS AT HAND FROM THE BANKER' and 'This month, The Banker publishes for the first time a comprehensive, easy-to-follow guide to the financial markets of 1992...'.

Advertisement for THE BANKER, including contact information: 'Extra copies of the 1992 wall chart are available for 25 each. Send cheques payable to FTBI Ltd to Jane Hammond, The Banker, 102-108 Clerkenwell Road, London EC1M 5SA.'

LONDON SHARE SERVICE

Main table containing various stock market listings categorized by industry: AMERICANS - Contd, BUILDING, TIMBER, ROADS - Contd, ELECTRICALS, ENGINEERING - Contd, INDUSTRIALS (Misc.) - Contd, CANADIANS, BANKS, HP & LEASING, CHEMICALS, PLASTICS, FOOD, GROCERIES, ETC, BEERS, WINES & SPIRITS, DRAPERY AND STORES, HOTELS AND CATERERS, INSURANCES, LEISURE, and ENGINEERING.

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LONDON SHARE SERVICE

LEISURE - Contd

Table of stock prices for Leisure sector, including companies like Leisure Group, Leisure Leisure, etc.

PROPERTY

Table of stock prices for Property sector, including companies like Property Group, Property Property, etc.

TEXTILES - Contd

Table of stock prices for Textiles sector, including companies like Textiles Group, Textiles Textiles, etc.

TRUSTS, FINANCE, LAND - Contd

Table of stock prices for Trusts, Finance, and Land sector, including companies like Trusts Group, Finance Finance, etc.

OIL AND GAS - Contd

Table of stock prices for Oil and Gas sector, including companies like Oil Group, Gas Gas, etc.

MINES - Contd

Table of stock prices for Mines sector, including companies like Mines Group, Mines Mines, etc.

MOTORS, AIRCRAFT TRADES

Table of stock prices for Motors and Aircraft Trades sector, including companies like Motors Group, Aircraft Aircraft, etc.

Commercial Vehicles

Table of stock prices for Commercial Vehicles sector, including companies like Commercial Vehicles Group, Commercial Vehicles Commercial Vehicles, etc.

Garages and Distributors

Table of stock prices for Garages and Distributors sector, including companies like Garages and Distributors Group, Garages and Distributors Garages and Distributors, etc.

NEWSPAPERS, PUBLISHERS

Table of stock prices for Newspapers and Publishers sector, including companies like Newspapers and Publishers Group, Newspapers and Publishers Newspapers and Publishers, etc.

PAPER, PRINTING, ADVERTISING

Table of stock prices for Paper, Printing, and Advertising sector, including companies like Paper, Printing, and Advertising Group, Paper, Printing, and Advertising Paper, Printing, and Advertising, etc.

SHIPPING

Table of stock prices for Shipping sector, including companies like Shipping Group, Shipping Shipping, etc.

SHOES AND LEATHER

Table of stock prices for Shoes and Leather sector, including companies like Shoes and Leather Group, Shoes and Leather Shoes and Leather, etc.

Investment Trusts

Table of stock prices for Investment Trusts, including companies like Investment Trusts Group, Investment Trusts Investment Trusts, etc.

TOBACCO

Table of stock prices for Tobacco sector, including companies like Tobacco Group, Tobacco Tobacco, etc.

TRUSTS, FINANCE, LAND

Table of stock prices for Trusts, Finance, and Land sector, including companies like Trusts Group, Finance Finance, etc.

FINANCE, LAND, ETC

Table of stock prices for Finance, Land, and Etc sector, including companies like Finance, Land, and Etc Group, Finance, Land, and Etc Finance, Land, and Etc, etc.

OVERSEAS TRADERS

Table of stock prices for Overseas Traders sector, including companies like Overseas Traders Group, Overseas Traders Overseas Traders, etc.

PLANTATIONS

Table of stock prices for Plantations sector, including companies like Plantations Group, Plantations Plantations, etc.

Rubbers, Palm Oil

Table of stock prices for Rubbers and Palm Oil sector, including companies like Rubbers and Palm Oil Group, Rubbers and Palm Oil Rubbers and Palm Oil, etc.

TEAS

Table of stock prices for Teas sector, including companies like Teas Group, Teas Teas, etc.

MINES

Table of stock prices for Mines sector, including companies like Mines Group, Mines Mines, etc.

Central Rand

Table of stock prices for Central Rand sector, including companies like Central Rand Group, Central Rand Central Rand, etc.

Eastern Rand

Table of stock prices for Eastern Rand sector, including companies like Eastern Rand Group, Eastern Rand Eastern Rand, etc.

THIRD MARKET

Table of stock prices for Third Market sector, including companies like Third Market Group, Third Market Third Market, etc.

Far West Rand

Table of stock prices for Far West Rand sector, including companies like Far West Rand Group, Far West Rand Far West Rand, etc.

O.F.S.

Table of stock prices for O.F.S. sector, including companies like O.F.S. Group, O.F.S. O.F.S., etc.

Diamond and Platinum

Table of stock prices for Diamond and Platinum sector, including companies like Diamond and Platinum Group, Diamond and Platinum Diamond and Platinum, etc.

Central African

Table of stock prices for Central African sector, including companies like Central African Group, Central African Central African, etc.

FINANCE

Table of stock prices for Finance sector, including companies like Finance Group, Finance Finance, etc.

Australians

Table of stock prices for Australians sector, including companies like Australians Group, Australians Australians, etc.

REGIONAL & IRISH STOCKS

Table of stock prices for Regional and Irish Stocks sector, including companies like Regional and Irish Stocks Group, Regional and Irish Stocks Regional and Irish Stocks, etc.

TRADITIONAL OPTIONS

Table of stock prices for Traditional Options sector, including companies like Traditional Options Group, Traditional Options Traditional Options, etc.

Property

Table of stock prices for Property sector, including companies like Property Group, Property Property, etc.

Oils

Table of stock prices for Oils sector, including companies like Oils Group, Oils Oils, etc.

Mines

Table of stock prices for Mines sector, including companies like Mines Group, Mines Mines, etc.

A selection of British funds is given on the London Stock Exchange Report Page

Text providing information about British funds and their performance.

NOTES

Notes providing detailed information about the stock market, including company performance, market trends, and regulatory updates.

COMMODITIES AND AGRICULTURE

Tough coffee pact talks ahead

By David Blackwell

THE INTERNATIONAL Coffee Organisation begins key talks on the next coffee agreement in London on Monday with consumer countries determined to ring some important changes.

El Salvadorean growers under siege

Tim Coone on problems facing the country's principal export sector

IN EL SALVADOR, the humble coffee bean is more than just a commodity. It has traditionally been the symbol of wealth and power, the heart and dynamo of the economy, and as such, for those who feel wealth and power have passed them by, it is a metaphor for class struggle and revolt.

Nicaragua's coffee exports in 1988-89 are forecast to fall by \$9m because of damage caused by Hurricane Joan, which tore across the country last month, reports Renter from Managua.

ected coffee production in 1988-89 at 900,000 quintals (100 lb each).

relative immunity from the direct effects of the war may be short-lived.

Seeds of hope for farm reforms

Continuing our series on EC price support curbs, Tim Dickson gives a progress report on the oilseeds sector

ANYONE HOPING for early results from February's wide-ranging reforms of EC farm policy need look no further than recent developments in the oilseeds sector.



MGQ of 2m tonnes for the Community excluding Spain and Portugal, 7.65 per cent for rapeseed (production 5.3m tonnes, MGQ 4.5m tonnes) and 10.35 per cent for soya (1.8m tonnes against a 1.5m tonnes MGQ).

market trends. The impact of the stabiliser, on the other hand, will help market men stick to the preliminary draft budget for 1989, though according to Mr Schiratti much will depend on both the size of next year's US soyabean output (expected to increase after changes in local acreage set-aside rules) and the level of palm oil imports from Southeast Asian countries.

It should be no surprise, therefore, that traders in El Salvador are anxious to be in the thick of the market at the moment.

Private economists say coffee earns the country around \$100m a year. Before the hurricane, Nicaragua had produced coffee on equal terms with the rest of the world.

A Presidential veto on the bill is expected any day, Arana, however, is strongly tipped to win the Presidential elections next March, and a lifting of the likely Presidential veto can be expected to be one of the first acts of the new Government.

Longer term, moreover, there are genuine worries that oilseed farmers, threatened by a tightening of the screw, will simply switch production to the more largely controlled cereals sector, exacerbating surpluses there, while the full entry of Spain into the olive oil regime post-1990 could add a significant new cost to the CAP just when other spending pressures are starting to re-surface.

Peruvian miners' strike becoming increasingly bitter

By Veronica Baruffi in Lima

THE PERUVIAN miners' strike, now well into its fourth week, is becoming increasingly bitter, with company management alleging that the stoppage is only being kept going by radical manipulation and intimidation.

estimated to have taken the cost to the country in lost exports to over \$200m.

going back to work have received similar threats," he claimed.

He reiterated that the mining companies were willing to "discuss" directly with the miners, but not with a federation representing the interests of a few "politicised" leaders.

LONDON MARKETS

COPPER prices fell sharply on the LME yesterday after a period of high volatility. Profit-taking emerged in both London and New York, leaving prices down on the day at the close.

Table of COCOA prices: Dec 84, 903; Jan 85, 892; Feb 85, 889; Mar 85, 884; Apr 85, 884; May 85, 882; Jun 85, 882; Jul 85, 882; Aug 85, 882; Sep 85, 882; Oct 85, 882; Nov 85, 882.

Table of LONDON METAL EXCHANGES: Aluminium 2000, 2300, 2400; Copper, Grade A, 1800-1850; Lead, 1700-1750; Nickel, 1200-1250; Zinc, 1400-1450.

Table of SOYABEAN MEAL prices: Dec 84, 170; Jan 85, 170; Feb 85, 170; Mar 85, 170; Apr 85, 170; May 85, 170; Jun 85, 170; Jul 85, 170; Aug 85, 170; Sep 85, 170; Oct 85, 170; Nov 85, 170.

Table of US METALS prices: Aluminium, 2000; Copper, 1800; Lead, 1700; Nickel, 1200; Zinc, 1400.

Table of CRUDE OIL prices: Dec 14, 13.98; Jan 15, 13.98; Feb 15, 13.98; Mar 15, 13.98; Apr 15, 13.98; May 15, 13.98; Jun 15, 13.98; Jul 15, 13.98; Aug 15, 13.98; Sep 15, 13.98; Oct 15, 13.98; Nov 15, 13.98.

Table of CHICAGO prices: Soyabean Meal 60,000 lbs, 22.50; Soyabean Meal 5,000 lbs, 22.50; Soyabean Meal 10,000 lbs, 22.50.

Table of SPOT MARKETS: Dural 110.45-110.60; Silver 11.45; Gold 320.00; Platinum 1250.00.

Table of COFFEE prices: Nov 1078; Dec 1078; Jan 1078; Feb 1078; Mar 1078; Apr 1078; May 1078; Jun 1078; Jul 1078; Aug 1078; Sep 1078; Oct 1078; Nov 1078.

Table of SOYABEAN MEAL prices: Dec 170; Jan 170; Feb 170; Mar 170; Apr 170; May 170; Jun 170; Jul 170; Aug 170; Sep 170; Oct 170; Nov 170.

Table of LONDON BULLION MARKET: Gold 410.10; Silver 160.10; Platinum 1250.00.

Table of NEW YORK prices: Dec 127.85; Jan 127.85; Feb 127.85; Mar 127.85; Apr 127.85; May 127.85; Jun 127.85; Jul 127.85; Aug 127.85; Sep 127.85; Oct 127.85; Nov 127.85.

Table of SUGAR WORLD prices: Dec 31.93; Jan 31.93; Feb 31.93; Mar 31.93; Apr 31.93; May 31.93; Jun 31.93; Jul 31.93; Aug 31.93; Sep 31.93; Oct 31.93; Nov 31.93.

Table of LIVE CATTLE prices: Dec 79.97; Jan 79.97; Feb 79.97; Mar 79.97; Apr 79.97; May 79.97; Jun 79.97; Jul 79.97; Aug 79.97; Sep 79.97; Oct 79.97; Nov 79.97.

WORLD STOCK MARKETS

Table of stock market data for various countries including Australia, France, Germany, Italy, Sweden, and Japan. Columns include country, date, and various stock indices.

Table of stock market data for Canada, listing various Canadian stocks and their prices.

Table of stock market data for Japan, listing various Japanese stocks and their prices.

Table of stock market data for New York, including Dow Jones and other indices.

Table of stock market data for Australia, listing various Australian stocks and their prices.

Table of stock market data for Tokyo, listing various Japanese stocks and their prices.

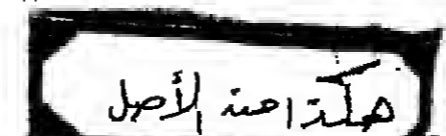
Advertisement for Financial Times, featuring the headline 'Your FT hand delivered in Norway' and '12 ISSUES FREE'.

4pm prices November 10

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

72 Month				32 Month				12 Month				72 Month				32 Month				12 Month											
High	Low	Stock	Div.	High	Low	Stock	Div.	High	Low	Stock	Div.	High	Low	Stock	Div.	High	Low	Stock	Div.	High	Low	Stock	Div.	High	Low	Stock	Div.	High	Low	Stock	Div.
100.00	98.00	AAR	1.00	100.00	98.00	AAR	1.00	100.00	98.00	AAR	1.00	100.00	98.00	AAR	1.00	100.00	98.00	AAR	1.00	100.00	98.00	AAR	1.00	100.00	98.00	AAR	1.00	100.00	98.00	AAR	1.00
100.00	98.00	ABC	1.00	100.00	98.00	ABC	1.00	100.00	98.00	ABC	1.00	100.00	98.00	ABC	1.00	100.00	98.00	ABC	1.00	100.00	98.00	ABC	1.00	100.00	98.00	ABC	1.00	100.00	98.00	ABC	1.00
100.00	98.00	DEF	1.00	100.00	98.00	DEF	1.00	100.00	98.00	DEF	1.00	100.00	98.00	DEF	1.00	100.00	98.00	DEF	1.00	100.00	98.00	DEF	1.00	100.00	98.00	DEF	1.00	100.00	98.00	DEF	1.00
100.00	98.00	GHI	1.00	100.00	98.00	GHI	1.00	100.00	98.00	GHI	1.00	100.00	98.00	GHI	1.00	100.00	98.00	GHI	1.00	100.00	98.00	GHI	1.00	100.00	98.00	GHI	1.00	100.00	98.00	GHI	1.00
100.00	98.00	JKL	1.00	100.00	98.00	JKL	1.00	100.00	98.00	JKL	1.00	100.00	98.00	JKL	1.00	100.00	98.00	JKL	1.00	100.00	98.00	JKL	1.00	100.00	98.00	JKL	1.00	100.00	98.00	JKL	1.00
100.00	98.00	MNO	1.00	100.00	98.00	MNO	1.00	100.00	98.00	MNO	1.00	100.00	98.00	MNO	1.00	100.00	98.00	MNO	1.00	100.00	98.00	MNO	1.00	100.00	98.00	MNO	1.00	100.00	98.00	MNO	1.00
100.00	98.00	PQR	1.00	100.00	98.00	PQR	1.00	100.00	98.00	PQR	1.00	100.00	98.00	PQR	1.00	100.00	98.00	PQR	1.00	100.00	98.00	PQR	1.00	100.00	98.00	PQR	1.00	100.00	98.00	PQR	1.00
100.00	98.00	STU	1.00	100.00	98.00	STU	1.00	100.00	98.00	STU	1.00	100.00	98.00	STU	1.00	100.00	98.00	STU	1.00	100.00	98.00	STU	1.00	100.00	98.00	STU	1.00	100.00	98.00	STU	1.00
100.00	98.00	VWX	1.00	100.00	98.00	VWX	1.00	100.00	98.00	VWX	1.00	100.00	98.00	VWX	1.00	100.00	98.00	VWX	1.00	100.00	98.00	VWX	1.00	100.00	98.00	VWX	1.00	100.00	98.00	VWX	1.00
100.00	98.00	YZA	1.00	100.00	98.00	YZA	1.00	100.00	98.00	YZA	1.00	100.00	98.00	YZA	1.00	100.00	98.00	YZA	1.00	100.00	98.00	YZA	1.00	100.00	98.00	YZA	1.00	100.00	98.00	YZA	1.00

Continued on Page 49



NYSE COMPOSITE PRICES

Table of NYSE Composite Prices with columns for High, Low, Last, and Change. Includes a section for 'Continued from previous page'.

OVER-THE-COUNTER

Nasdaq national market, 3pm prices November 10

Table of Over-the-Counter prices with columns for Stock, Bid, Ask, High, Low, Last, and Change.

AMEX COMPOSITE PRICES

4pm prices November 10

Table of AMEX Composite Prices with columns for Stock, Bid, Ask, High, Low, Last, and Change.

Table of AMEX Composite Prices (continued) with columns for Stock, Bid, Ask, High, Low, Last, and Change.

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AMERICA

Dow falls further as dollar retreats

Wall Street

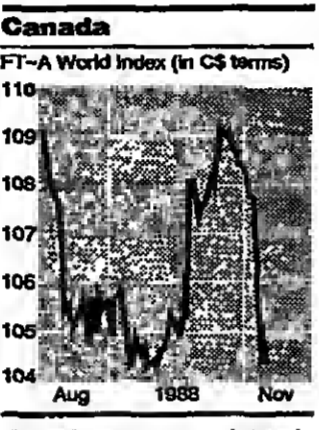
THE WEAKNESS of the dollar continued to dominate the mood in the equity market yesterday and share prices drifted lower in sluggish volume, writes Janet Bush in New York. The Dow Jones Industrial Average closed 3.55 points lower at 2,114.69, having given up a small gain of around 5 points shortly after the opening. Volume was low at 129m shares.

leverages buy-out (LBO) plans, the market has been stripped of two key sources of momentum. The focus of US financial markets switched back to economic fundamentals and some long-run problems such as the twin deficits of trade and budget as soon as it became clear that Vice President George Bush had won. In the short-term, most of the nerves about the future have seeped into the foreign exchange market.

The 'other' election makes Canada jumpy

Uncertainty over the Tories' chances has upset the market, writes David Owen

When the Canadian general election campaign began on October 1, the hope was that it would give the country's stock markets a much-needed shot in the arm. Prime Minister Brian Mulroney and his high-flying Conservatives were on their way to a second consecutive majority in Ottawa, or so it appeared. This - the theory ran - would ensure ratification of the much-vaunted US-Canada free trade agreement and the general confidence in the buoyant domestic economy.



Canada FT-A World Index (in US terms) 110 109 108 107 106 105 104 Aug 1988 Nov

poll which gave the opposition Liberal party a commanding 12-point lead in public support. No sector escaped the downturn. The hardest hit included industrial products - which slumped 3.3 per cent - pipelines, transport and management companies.

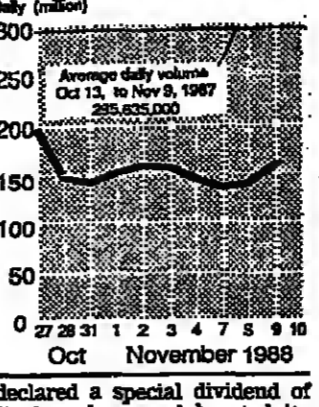
EUROPE

Frankfurt drops to four-week low

IT was all eyes on the dollar again in European stock markets yesterday, leaving volumes low and bourses generally weaker, writes Our Markets Staff. FRANKFURT fell to its lowest level for a month in thin trading as the market reacted nervously to the weak dollar. Shares were down right across the board with no sector showing any gains. At midday the FAZ was down 6.0 at 524.33, and by the close the DAX index was 13.98 lower at 1,263.34.

the close the Comit index was 1.32 lower at 591.61. News of two large share issues dominated the day's trading. Merchant bank Mediobanca fell 1.30 to 120.50 after announcing it would sell to the public 27m shares currently owned by three banks - BCL, Credito Italiano and Banco di Roma - on November 21. The issue, to be followed by the sale to a private group of investors of a further 10.2m shares, will complete the partial privatisation of Mediobanca.

NYSE Volume



NYSE Volume Daily (million) 300 250 200 150 100 50 0 27 28 29 30 31 1 2 3 4 5 6 7 8 9 10 Oct November 1988

ASIA PACIFIC

Profit-taking in electrical sector drags Nikkei down

Y10 to Y1,440 and Toshiba lost Y10 to Y981. Steels were also largely neglected. Kawasaki Steel dropped Y30 to Y1,070, Nippon Steel eased Y17 to Y867 and Kobe Steel, the most actively traded issue at 62.2m shares, declined Y3 to Y757.

Financial stocks were widely selected on the strength of lower interest rates and a strong bond market. Mr Watanabe of Credit Suisse said there was a spreading consensus among investors that financial issues would see some window-dressing towards the end of the year because the companies were reluctant to let their share prices fall below certain levels.

Canada

CONCERN about how President-elect George Bush will handle the US budget deficit brought Toronto stocks lower late in the day after an early rise. The composite index fell 2.9 to 3,259.5. Declines led advances 392 to 304 on volume of 24.5m shares.

Either way, would-be investors in Canadian capital markets over the next 10 days should remain apprised of the standing of the parties in the latest opinion polls.

SOUTH AFRICA

GOLD ISSUES were mixed to lower in Johannesburg after a rise in the rand and in spite of a firm bullion price. Randfontein gained R5 to R275 while Vaal Reefs lost R2.50 to R222.50.

Roundup

LOSSES in New York and Tokyo and a general mood of anti-climax after the US presidential election left Asia Pacific markets weaker in dull trading yesterday.

ASIA PACIFIC

ASIA PACIFIC was quiet with little to stimulate interest other than a strong set of annual figures from Western Australia Bank (NAB). Sentiment was not helped by the weakness of overseas markets, and the All Ordinaries index declined 0.4 to 1,564.1 on turnover of 96m shares worth A\$160m.

SINGAPORE

SINGAPORE fell sharply on profit-taking, the weakness of overseas markets and a lack of institutional demand. The Straits Times industrial index finished 12.34 lower at 1,014.12.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table with columns for National and Regional Markets, Thursday November 10 1988, Wednesday November 9 1988, and Dollar Index. Rows list various countries and indices with values for US Dollar, Day's Change, Pound Sterling, Local Currency, Gross Dividend Yield, and Year Ago (Approx).

Commercial Union Assurance advertisement. Features the CU logo and text: 'NINE MONTHS' REVIEW', 'Pre-tax profit increase to £152.8m', and 'Operating profit before taxation increased by 20% to £152.8m (1987 £127.7m)'. Includes a table of highlights and the company name 'Commercial Union Assurance Company plc'.